



German Industry
The French launch an invasion

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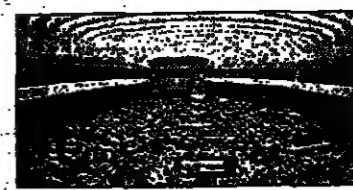
United Nations
Under a cloud of self-deception

Joe Rogaly Page 12



Wellcome share offer
Did the outcome match the hopes?

Page 15



Japan
Failure of the patience principle

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NEWSPAPER
of THE YEAR

FINANCIAL TIMES

Tuesday July 28 1992

EUROPE'S BUSINESS NEWSPAPER

D8523A

Dasa joins race to buy BAe satellite unit

Deutsche Aerospace (Dasa) has joined the race to buy British Aerospace's (BAe) satellite business. The news is a blow to GEC, whose joint venture with BAe, GEC-Marconi, has been in talks with BAe since last year to acquire the space division. Page 15

Japanese rate cuts The Japanese government signalled its disappointment that the interest rate cut had not boosted the stock market after the Nikkei closed 124.45 points lower at 15,373.34, a six-year low. Page 14 and Lex

Goodyear Tire & Rubber, large US-owned tyre company, bucked the industry trend by reporting record second-quarter net income of \$109.7m, well above analysts' forecasts. Page 15

Iraq claims victory Iraq said it had won a "brilliant victory" over the UN by agreeing to the inspection of its agriculture ministry in Baghdad by a team of "neutral" UN weapons experts. Page 3

Chinese teenager wins diving gold Thirteen-year-old Fu Mingxia extended China's domination of women's diving by winning the Olympic platform gold medal. Fu ran out of challengers by the final round, winning by more than 50 points in an event often decided by 10 points or less. Elena Micocchia of the Unified Team took the silver medal, and Ellen Clark of the US the bronze. Olympic coverage. Page 6

McDonnell Douglas, US aerospace group, is strengthening its ties with the Israeli aerospace industry by contracting two Israeli companies for additional work worth about \$52m. Page 4

Italian suicides The political corruption scandal claimed its second victim with the death of Mario Majocchi, head of a Como-based building group who shot himself in the head on Sunday. Page 2

Bosnian factions talk Leaders of Bosnia's three warring factions began another attempt to conclude peace at a London meeting, in spite of the pessimism of the latest ceasefire. Page 2

US space programme NASA faces a critical battle this week to save plans for a manned space station, when the House of Representatives decides whether to continue financing the project. Page 4

Aids scandal French lawyers representing Aids victims began legal proceedings against three former ministers over alleged government responsibility in the distribution of HIV-infected blood to haemophiliacs. Page 2

Boeing, world's leading manufacturer of commercial aircraft, reported flat second-quarter earnings and predicted lower income in the second half of 1992, due to a drop in aircraft deliveries and high R&D spending on its 777 airliner. Page 16

Questions raised on Richmond flotations A report by Price Waterhouse raises serious questions over the subunderwriting arrangements for Richmond Oil & Gas, the US-based natural resource company which floated in London in 1989. Preliminary evidence uncovered by Price Waterhouse indicates that Kelvin Miles (above), who managed some of the subunderwriters, acted as a "nominee" (holding and using powers of attorney and executing necessary payments) in a scheme to mislead investors. Page 15

Greece has been urged by the IMF to cut the public deficit by Dr1,300bn (97bn) by end-1993 in order to meet the Maastricht timetable for economic convergence with EC partners. Page 2

Norsk Hydro reported a Nkr214m drop in half-year net income to Nkr788m (\$134m), well below market expectations. Page 17

Red Square goes pink The Financial Times has signed a deal with Investia, the daily newspaper published in the former Soviet Union, to produce a weekly Russian language business supplement for Investia's 300,000 readers.

STOCK MARKET INDICES

Index	Value	% Change
FT-SE 100	2,348.9	(-29.2)
FT-SE 250	1,221.1	(-4.4)
FT-SE All-Share	1,124.1	(-1.2)
FT-SE World Index	184.71	(-0.29)
Nikkei	15,373.34	(-0.81)
Dow Jones Ind	2,282.2	(-3.51)
S&P Composite	411.54	(-0.06)

US CLOSING RATES

Instrument	Rate
Federal Funds	3.1/4
3-mo Treasury Bill	3.25%
Long Bond	7.125%

STERLING

Instrument	Rate
New York	1.819
London	1.819
Frankfurt	1.819
Paris	1.819
Geneva	1.819
Zurich	1.819
Basel	1.819
Brussels	1.819
Ams	1.819
Madrid	1.819
Lisbon	1.819
Porto	1.819
Madrid	1.819
Lisbon	1.819
Porto	1.819

FINANCIAL TIMES FT No 31,821 Week No 31

Desperate famine stalks forgotten Somalis

By Julian Ozanne, recently in Baidoa

DR Said Musa gestured towards a group of gravediggers. "There are no ceremonies for the dead in Baidoa," he said. "We have to dig wherever we can and bury as fast as possible. The world has turned its back on us in Somalia. People are dropping like flies." Grief and hunger are the only commodities in large supply at Baidoa, a town 250km west of the war-shattered Somali capital Mogadishu. Up to 50,000 people have staggered into the town from the surrounding villages in a desperate search for food.

This struggle is being repeated

across Somalia, where aid workers say thousands are dying daily and 4.5m people are in critical need of emergency food aid. All relief efforts thus far have become lost in the nightmare of Somali politics. Aid officials must negotiate the passage of grain through fiefdoms controlled by Somali warlords. Bandits on the roads, even in Mogadishu itself, make a mockery of the most carefully negotiated arrangements. The officials say Mogadishu is the key to any future relief effort. A successful distribution programme there would enable aid agencies to build up food stocks and to establish a base

from which to move out to the countryside, reversing the mass migration of refugees. Across the pillaged town of Baidoa small pieces of wood stuck in mounds of freshly turned earth marked the graves of children caught up in Somalia's latest tragedy. Countless children are dying of starvation in the ruins of a crumbling city gutted by fending gunmen. The graves are surrounded by the rubble of buildings razed by mortars and grenades. Most wars are senseless, this one more than most. Inside a makeshift feeding centre run by the Irish charity Concern hundreds of emaciated

infants, their muscles wasted to the bone, cling to their mothers waiting to be fed. Many are almost lifeless and can only manage a pitiful moan. For some, with matchstick arms and thinning hair, it is too late. In a corner of the compound one mother sits by the corpse of a four-year-old lying under a dirty cloth. Her grief is blunted by her own hunger and the worry that her other three children may die soon. Emergency food aid is trickling into the feeding centres run by Concern, the Red Cross and United Nations but it is not enough to stop people dying daily of diarrhoea and dehydration. Many of

the Somali staff working in the feeding centres have contributed food from their own supplies but every day more and more people are struggling into the town. "Things are getting worse every day," said Mrs Anita Kani, a nutritional worker in Baidoa for Concern. "There is too much talking, too many meetings among donors and not enough response. We need massive quantities of food and medicine urgently." In another feeding centre crammed with people clustered round an old drum of rice and beans an elderly looking



Continued on Page 14

EC finance heads agree to standardise VAT rate

By Andrew Hill in Brussels

EC finance ministers last night agreed a legally binding minimum standard rate of value added tax.

The provisional agreement ends five years of fierce debate and sets the seal on the most significant example yet of the Community's growing influence over national fiscal policy.

The deal also marks the first important achievement of the British presidency of the EC and a large step towards a single Europe free of border controls.

Ironically, it is Britain which until recently was the most vehement opponent of moves to cede tax sovereignty to Brussels.

But last night, Mr Norman Lamont, the British chancellor of the exchequer, said: "We have accepted the principle that the internal market needs a legally binding minimum rate [of VAT]."

Mr Lamont's role in forging a compromise with his European colleagues is likely to expose him to heavy criticism from European members of Parliament in his own party.

The agreement sets a minimum standard VAT rate of 15 per cent until the end of 1996, when it would come up for review.

Formal agreement on the whole package of legislation on VAT and excise duties will also have to wait until a number of specific disputes among individual member states have been sorted out. Ministers have promised to resolve their differences by Thursday. The package also covers duty on cigarettes and other tobacco products, alcohol and mineral oils, such as heating oil.

"Most countries' VAT rates have already moved into line with last year's non-binding political agreement on indirect tax and

excise duties. Germany will have to raise its standard rate from 14 per cent, and Spain will move from 13 per cent next month.

The deeper effect of the agreement will be to clear away one of the largest obstacles to a barrier-free Europe. With VAT rates broadly harmonised, member states will no longer have an excuse to retain customs controls beyond the end of this year.

However, there is still confusion over whether member states have committed themselves to having a legally binding minimum rate for ever.

Mr Lamont indicated last night that if ministers failed to reach unanimous agreement on a renewed legally binding minimum before 1996 the directive would lapse. The Community would then be subject only to last year's non-binding accord.

But other ministers disagreed. For example, Mr Jorge Braga de

Macedo of Portugal, Mr Lamont's predecessor as president of the finance ministers' council, said he believed the legally binding 15 per cent minimum would be automatically renewed if they failed to agree. That would deprive dissenters - possibly including Britain - of any effective veto.

"It doesn't seem to me that there is any great change in principle [for the UK]," argued Mr Lamont last night. "In fact, in this respect I have got more flexibility and more freedom than we asked for on other aspects of indirect tax harmonisation."

Ministers also agreed a two-tier system of excise duty on spirits, which will leave current rates of duty in the EC unchanged, but freeze duties at existing levels between Ecu550 and Ecu1,000 per 100 litres of alcohol.

Member states with duty above Ecu1,000 per 100 litres - such as Britain and Denmark - would be able to come down to that threshold.

Issues still outstanding include the difference in duty on British and Spanish sherry; the possibility of a French-style control levy on wine being extended to all member states; the level of duty on mineral oil; and the right of the Netherlands and Germany to retain reduced VAT rates on flowers and other agricultural products.

World Trade News, Page 4

Wellcome sale of 270m shares raises £2.1bn

By Maggie Urry

WELLCOME TRUST, the medical research charity, yesterday confirmed it had raised £2.1bn (\$4bn) net of expenses through its sale of 270m shares in Wellcome, the pharmaceutical group, at a price of 800p.

Mr Roger Gibbs, chairman of the Trust, said he was "very pleased" with the result of the sale given poor stock market conditions since details of the issue were announced in June. Then the issue size was indicated at 300m shares, and the company's shares were trading above 800p.

Wellcome's share price fell yesterday from 850p to 800p, as the stock market weakened. The volume of shares traded was 14m, regarded as low for first day trading in an issue of this size.

Mr Gibbs said that "the Trust's total income for its next financial year will now be some £220m, double that of the current year". The Trust announced a number of research initiatives yesterday.

Mr Gibbs said the Trust now had a 25bn portfolio, half invested in its remaining 49 per cent Wellcome stake and the rest in higher-yielding securities. It will build up a diversified equity portfolio.

Around 80 per cent of the shares sold were allocated to UK institutions. Applicants through the UK public offer received

14.4m shares. US investors were allocated 70m shares. This makes it the largest share sale in the US for a non-US company, barring privatisations. It takes the proportion of Wellcome's shares held there to 10 per cent. Japanese investors will now hold about 2 per cent of the group's shares.

Mr John Robb, chief executive of Wellcome, said the sale had gone some way to achieving a broader international spread of shareholders for the company. He was particularly pleased that the take-up of shares had been strong in the US and Japan, as well as the UK, as these were the two largest pharmaceutical markets.

Investors in Germany, France and Canada took only a few million shares in all. Some of the selling observed yesterday was believed to have come from Germany. Robert Fleming, the merchant bank running the global sale, is expected to track down the identity of these sellers.

Mr Gibbs praised the Trust's advisers. As well as Fleming, he picked out Warburg Securities and Cazenove in the UK, Morgan Stanley in the US and Nikko Securities in Japan.

Wellcome for Hansa, Page 13
Lex, Page 14
Windfall for research, Page 15
Book-building, Page 16

Threat to US trade deal from Gephardt

By Nancy Dunne in Washington

THE planned North American Free Trade Agreement (Nafta) faced a new hurdle yesterday as the majority leader in the US House of Representatives demanded that negotiators write in strong protection for the environment and US jobs.

The call by Mr Richard Gephardt came after senior ministers from the US, Canada and Mexico made progress on a number of fronts in weekend negotiations in Mexico City. The negotiations appeared close to completing a final draft text.

Mr Gephardt's demands threatened to scupper one of the few vote-winning initiatives left to President George Bush, who - according to latest opinion polls - is trailing Mr Bill Clinton, his Democratic challenger for the November 3 presidential election.

Mr Gephardt said Nafta negotiators "can and must do better". The pact could become an "engine of growth" but only if "properly drafted".

He said it should include:

- A joint US-Mexico border commission to promote health and environment, offer bonds, inspect facilities and enforce laws.
- A cross-border transaction tax to raise funds for worker training, infrastructure development and environmental protection.
- Provisions to make failure to abide by environmental laws an unfair trade practice and to allow US shareholders to sue companies doing business in Mexico if they fail to abide by Mexican laws.
- Creation of an Industry Code of Conduct for the Maquiladora industries on the Mexican border.

Mr Clinton was expected last night to echo Mr Gephardt's critical comments. Mr Clinton has



George Bush: vote-winning initiative threatened

previously said he would support Nafta only if it safeguarded jobs, the environment and Mexican labour rights. He has also stressed his support for an open world trading system.

Mr Gephardt told the Institute of International Economics in Washington that uncontrolled free trade was part of the past and that environmental and

labour concerns could not be divorced from trade agreements. The currently proposed Nafta agreement was "a lose-lose situation", he said. It failed to stem either the flow of jobs to Mexico or a returning flood of cheaply produced goods to the US.

Mr Gephardt said industrialisation

Continued on Page 14

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مكتبة من الأدب

NEWS: EUROPE

West helpless as Russian budget deficit swells

By John Lloyd in Moscow

THE RUSSIAN government is rapidly losing control of the budget deficit and inflation and there is little that the west can do to help, according to both foreign experts and Russian government officials.

Two separate credits of Rb500bn have been approved by the government for industry under the influence of the powerful industrial lobby - with expectations that inflation will surge as a result.

The new chairman of the Russian central bank, Mr Victor Geraschenko - former chairman of the Soviet state

bank (Gosbank) - has said he favours soft loans to key industrial sectors, and has postponed the convertibility of the rouble for the foreseeable future.

These measures would relieve the pressure on industry, but would also delay the date of any substantial restructuring and increase both budget deficit and inflationary pressures.

Moreover, the price likely to be paid to farmers for grain this year will be at least Rb10,000 a tonne. Such a sum is much higher than the government had wished, but likely to be necessary since farmers

are refusing to sell. This in turn will lead to huge increases in the price of bread - the most politically sensitive of all prices - and to further inflation.

In the opinion of Professor Steve Hanke of Johns Hopkins University who is working on proposals to stabilise the rouble: "My belief is that we could have inflation at 50 per cent [the commonly-defined threshold for hyperinflation] by the end of the year because they cannot stop the credits. There is nothing the west can do about this."

President Boris Yeltsin has revised down his previous fore-

cast of when the economy would stabilise - from the latter part of this year to early next.

Negotiations between the Russian government and the International Monetary Fund, suspended over the holiday period, are expected to restart in late August or in September but hopes that a stand-by agreement will be reached in the autumn are now evaporating.

An IMF spokesman in Washington said that the forecast of an October signing of the agreement was "the Russian government's estimation" and added that "it's not clear if the

Russians know how difficult this process is".

Furthermore, some powerful Russian politicians increasingly confidently dismiss the desirability of western assistance. General Alexander Rutskoi, the vice president, said that "the time has come when we should no longer hope for a kind uncle - the IMF".

Mr Yeltsin said last week that he had defied the requests of the IMF to freeze wages and raise energy prices, though he added they would be raised to world levels by the end of next year.

Intensive discussions within the IMF and at senior levels in

the Group of Seven leading industrial countries now focus on how far the IMF should continue to act as the judge of Russian reform on the part of the G7. Some officials, alarmed by the possible collapse of reform and with it the Russian government under Mr Yegor Gaidar are calling for direct assistance from rich countries to Russia in order to prevent a backlash against both the market and democratic institutions.

The worsening economic situation is prompting increased security precautions against public discontent. An emergency committee, possibly

including a paramilitary force, is to be set up in St Petersburg following a warning from Mr Sergei Stepanov, the city's security chief, of disturbances "in the wake of a worsening economic and political situation".

The Russian Security Ministry has also announced the formation of a special force of former KGB officers, to protect officials against assassination. Evidence of attacks is sketchy but Itar-Tass news agency, quoting the ministry, said the force was being set up following "more than 100 terrorist acts" in Russia over the past year.

Fabius to be sued by Aids victims

By William Dawkins in Paris

TWO FRENCH lawyers representing Aids victims yesterday began legal proceedings against three former ministers, including Mr Laurent Fabius, first secretary of the governing Socialist party, for alleged poisoning.

The move could provoke an embarrassing parliamentary debate over the government's responsibility in the distribution of HIV-infected blood to haemophiliacs, as a result of which 256 people have died in the past seven years.

If the debate takes place, it is likely to happen in the run-up to the sensitive September 20 referendum on European union, thus dealing another blow to the government's unsuccessful attempts to avoid controversy.

The indictment, which also cites Ms Georgina Dufoix, former social affairs minister, and Mr Edmond Hervé, former junior health minister, arises from a trial of four former senior health officials, charged with allowing transfusions of HIV-infected blood in 1985.

French ministers cannot be brought to court directly to face charges linked with the exercise of their jobs. They have to be impeached by both houses of parliament.

First, examining magistrates have to decide whether there is a case to answer and pass on the case to the public prosecutor. It will then be up to Mr Michel Vauzelle, justice minister, to decide whether to pass the case to parliament.

Given the huge public interest in this tragic trial, any official attempt to bury the indictment would spark an uproar.

Mr Fabius, prime minister at the time, told the court last week that he acted as quickly as possible to introduce obligatory screening of blood as soon as he knew of the danger.

Mr Hervé admitted he knew stocks were infected, but acted on experts' advice in allowing them to be used until heat sterilisation became available.

Around 1,300 people have since become HIV positive, including nearly 45 per cent of French haemophiliacs.

Bosnia's warring factions begin new search for peace

By Robert Mauthner, Diplomatic Editor

LEADERS of Bosnia's three warring factions began another attempt in London yesterday to bring peace to their stricken country, in spite of the breakdown of the latest ceasefire agreed only 11 days ago.

The meeting has been overshadowed by last weekend's British proposal to organise a wider international peace conference on the former Yugoslavia in London at the end of next month. Apart from the three combatants, this will bring together the European Community, the United Nations, the Conference on Security and Co-operation in Europe and other "interested parties" such as the US.

Though the Bosnian Moslems have again refused to meet their enemies face to face, Mr Jose Cutileiro, the Community's chief negotiator in the EC-sponsored talks, will hold separate meetings with Mr Radovan Karadzic, leader of the Bosnian Serbs, Mr Mate Boban, leader of Bosnia's Croats, and Mr Haris Silajdzic, the Bosnian Moslem representative.

Lord Carrington, the chief EC mediator, considers it pointless to negotiate another ceasefire, which is likely to collapse as quickly as the previous ones. He will try, therefore, to focus the talks on a constitu-

tional and political settlement rather than on military problems.

However, a British official made it clear that this did not mean that no attention would be paid to halting the fighting. "They have a ceasefire and they will be told in no uncertain terms to implement it," he said, while admitting at the same time that there was no point in getting the parties to agree on a new ceasefire.

Mr Karadzic yesterday proposed that the rival communities could be separated by a "green line" patrolled by UN peacekeeping troops, while their leaders worked out a political settlement. Such a "green line" has been in effect in Cyprus ever since the Turk-

ish invasion of the northern part of the island in 1974.

The London meeting is being held against the background of a quickly deteriorating refugee crisis in the former Yugoslavia which will be the subject of an international conference in Geneva tomorrow.

Germany, which has taken in more than 200,000 of an estimated total of 2.2m Yugoslav refugees, has called on Germany's European partners to share the refugee burden more equitably, but France and Britain are refusing to accept a quota system.

However, western officials are understood to be studying the creation of a Kurdish-style safe haven for refugees inside the former Yugoslavia to halt

the increasing flood of people fleeing their homeland.

US Navy jets flew sorties over the Adriatic yesterday but were under strict orders not to stray near Yugoslav airspace, Reuters reports from aboard the USS Saratoga.

The US stepped up its presence in the narrow sea on Friday, moving in a battle group led by the aircraft carrier Saratoga. As waves of F-14 Tomcats and A-6 intruders took off from the Saratoga, pilots were repeatedly told to stay out of Yugoslav airspace and not to stray near two Yugoslav islands in the middle of the Adriatic.

Whatever the message Washington may be wanting to send to Yugoslavia, the military orders are to keep things cool in the Adriatic, said battle group commander, Rear Admiral Philip Dur.

The US battle group, which includes the amphibious assault ship Iwo Jima, is by far the biggest military presence in the area. Its nearly 9,000 men dwarf a four-ship Nato patrol off the coast of Montenegro and a three-ship detachment of the Western European Union at the mouth of the Adriatic.

An Egyptian soldier (right) bound for United Nations duty in Sarajevo reads his Koran before take-off in Cairo



Romania's leading party faces polls fight

By Virginia Marsh in Bucharest

ROMANIA'S politicians face a long, hot summer with the start yesterday of a two-month campaign for concurrent presidential and parliamentary elections on September 27.

The polls, only the second general elections since the overthrow of the Ceausescu regime in December 1989, are expected to lead to significant changes in the country's political spectrum.

With no strong opponent nominated to challenge Mr Ion Iliescu, Romania's president, he appears virtually assured of a second term of office, this time for four years.

However, in parliament, the National Salvation Front (NSF) which swept to power in May, 1990, with two-thirds of the vote, looks certain to lose its dominance.

The NSF was weakened earlier this year by internal disputes between those favouring the reformist Mr Petre Roman, the former prime minister, and the supporters of the more conservative Mr Iliescu, a former high-ranking communist official, who left to form the Democratic National Salvation Front (DNSF).

The NSF has also seen its power eroded by the Democratic Convention (DC), a coalition of opposition parties which successfully contested February's local elections, winning control of many key cities including Bucharest, the capital, and the Transylvanian town of Timisoara, birthplace of the 1989 revolution.

However, the DC has been rocked by internal quarrels, too, notably over its choice of presidential candidates and by the departure of the National Liberal Party, one of Romania's parties from the 1990s.

Pollsters disagree which of the three main groupings, the DNSF, the NSF and the DC, will be the victor. Most believe the future government will be a coalition between Mr Roman's NSF and the DC. Some fear that DNSF and other left-wing parties will emerge strong enough to take power through alliances with extreme right nationalist parties.

IMF calls for deep cuts in Greek public spending

By Kerin Hope in Athens

THE International Monetary Fund has urged Greece to slash the public deficit by Dr1,300bn (£3.7bn) by the end of 1993 in order to meet the Maastricht timetable for economic convergence with its European Community partners.

In its annual report on the Greek economy, the IMF called for deep cuts in public spending, including rapid reform of the state pension system where outlays account for about 15 per cent of the country's gross domestic product.

The normally confidential report was made public by Mr Stefanos Manos, the economy minister, who hopes to make Greeks more willing to accept continued austerity by revealing the extent of the country's economic problems.

The report said the government's current efforts to reduce the deficit by 4 percent-

age points this year to 13 per cent of GDP were inadequate for meeting the Maastricht target. "Primary adjustment of 8-10 percentage points of GDP was needed in 1992-93 to put Greece on the path to convergence with a clearly declining debt to GDP ratio," it said. The public debt last year reached 116 per cent of GDP, compared to the Maastricht requirement of no more than 60 per cent by 1997.

"The focus of the stabilisation effort should be on curbing public spending," the report added. "Lasting savings in the central government's wage bill require significant cuts in public employment, including the abolition of unnecessary functions." A hiring freeze is nominally in effect in the public sector, but the government has been reluctant to incur the political cost of large scale dismissals.

Greece requested IMF techni-

cal help in its second attempt in two years to overhaul the pension system, but discussions with trade union officials have been delaying the launch of a less generous scheme.

A stabilisation programme launched last year has succeeded in reducing the current account deficit from 5.4 to 2.2 per cent of GDP and cutting the inflation rate from 20.9 to 15.1 per cent - still almost three times the EC average. However, the size of the deficit remains a serious obstacle to further progress.

In addition to the government's unwillingness to enforce harsh spending cuts, its revenue forecasts still appear too optimistic. According to the report, further reforms of the fiscal system, including a broadening of the tax base and higher indirect taxes are crucial to boosting revenues.

Checkpoint Charlie in business

By Leslie Colli in Berlin

A BERLIN court yesterday approved an DM800m (£276m) business centre project on the site of Checkpoint Charlie, the former crossing into East Germany.

It dismissed a case by an east Berlin woman who claimed to own the site, ruling that property at the Berlin Wall could not be returned under the terms of the 1990 German unification treaty. Checkpoint Charlie was dismantled in June 1990 after the city was united.

Central European Development Corporation, majority-owned by US cosmetics company Estée Lauder and headed by Mr Mark Palmer, former US ambassador to Hungary, was given the green light by the city government last year to erect the American Business Centre on the site. But, the court case held up the project.

Second suicide in Italian scandal

By Haig Simonian in Milan

THE GROWING political corruption scandal in northern Italy has claimed its second victim with the death yesterday of Mr Mario Majocchi, head of a Como-based building group and deputy chairman of Italy's Builders' Federation.

The death of Mr Majocchi, who was taken to hospital after shooting himself in the head at home on Sunday, follows that last month of Mr Renato Amorese, secretary of the Socialist party in Lodi, near Milan.

Mr Majocchi's motives remain obscure, unlike those of Mr Amorese, who left a long letter. After being interviewed by Milanese magistrates on Friday, Mr Majocchi, managing director of a company active in public sector contracting in Lombardy, returned home apparently unperturbed.

The latest incident follows a

shift of focus from politicians to industrialists in the continuing investigation. Last Friday, police arrested Mr Giancarlo Cozza, the 55-year-old chief executive of Fiat Ferroviaria Savignolo, the railway equipment division of the Fiat group. His arrest, and that of the owner of a local Iveco bus dealership, brought to 71 the number of people now charged in connection with the widening investigations.

Mr Cozza, detained on suspicion of having paid bribes for contracts to supply rolling stock to Milan's underground railway, is the second Fiat executive to have been arrested in the affair. Earlier this year, police arrested Mr Enzo Papi, chief executive of Fiat's Cogefar Imprest building subsidiary, Italy's biggest building group. Mr Papi, who refused to give evidence and eventually resigned from his job, was finally released.

Dentists strike in Germany

By Quentin Peal in Bonn

NEARLY 3,000 dentists in Germany's populous North Rhine region downed drills and closed surgeries yesterday in protest at the government's plans to cut spending on the state-subsidised health care system.

Members of the Free Association of German Dentists are being urged to pull out of the public health insurance scheme, and only accept patients privately, mirroring a move taken by British dentists three weeks ago.

At the same time doctors in the wealthy state of Baden-Württemberg are organising a mass poster campaign attacking the health minister, Mr Horst Seehofer, who has drawn up plans to save DM11bn (£2.7bn) a year from the swelling costs of the health service.

They include a freeze on doctors' and dentists' fees, as well as on pharmaceutical prices, an increase in hospital fees, and a system to curb prescriptions by doctors: if they prescribe more than laid down in strict budgets, their fees will be cut accordingly.

Mr Seehofer denounced the dentists' strike action yesterday as "absolutely excessive".

Money launderers cash in on upheaval in east

Ian Rodger examines new patterns and old problems for those on the track of drug profits

ESTONIA'S central bank governor made a somewhat unusual statement when the republic set up its own currency last month. He used the opportunity to express his determination to combat drug money laundering.

This was not just a dutiful bow to the western powers who have been cracking down hard on money laundering in recent years. The fact was, Mr Siim Kallas said, that "enormous amounts of cash have been deposited in our banks in the last few days".

Mr Kallas ruled that savings account balances exceeding Rb50,000 and corporate accounts worth more than Rb1bn would be frozen until their origin had been checked.

Among other things, this reveals that when it comes to taking advantage of a new opportunity, the world's drug money launderers are hard to beat.

Those were also the messages from Lugano - itself a centre notorious for dubious financial transactions - during this month's annual meeting of Financial Action Task Force (FATF) on money laundering, set up by the 1989 economic summit of the seven

largest industrialised countries. "Virtually no financial institutions are immune as money launderers become increasingly sophisticated in their techniques," the FATF stated in its report.

Mr Alexis Lautenberg, a senior official in the Swiss foreign ministry who presides over FATF, revealed that the main focus of the organisation's efforts in the new few months would be on eastern Europe and the Far East.

It is difficult to guess just how significant drug money laundering activity in eastern Europe has become. FATF, being an outgrowth of the Organisation for Economic Co-operation and Development (OECD), is coy

about naming names and amounts. In its report, it says only that "at present, the central and eastern European region is not one of the most significant centres of money laundering".

The most significant centres of a trade, valued two years ago at \$35bn, are still the US and western European countries. But there is little doubt that the combination of tougher surveillance in the west and institutional upheaval in eastern Europe has sent a considerable amount of activity eastward.

Not for nothing did Sir Leon Brittan, the EC competition commissioner, make money laundering the theme of a speech he made in Budapest at the end of May. "If money laundering is effectively driven out of the European Community and EFTA [European Free Trade Association] countries, they don't want it coming here," he said after meeting Hungarian leaders.

In March, Mr Jacques Attali, president of the European Bank for Reconstruction and Development, also touched on the subject. "I think it is obviously in the interests of the world that central and eastern Europe do not become a huge loophole in the cause

of fighting money laundering," Mr Attali said.

Actual proven cases, however, are few in number. In April, the deputy head of Finland's criminal police claimed to have information on the transfer of several million marks to international markets through Finnish banks.

The money was said to originate from sales of stolen property in Russia, but the managing director of the Finnish Bank Association denied the allegation.

Last year, there were suggestions that money launderers would take advantage of the privatisation process in Czechoslovakia, which involved the issue of small value vouchers to citizens.

The FATF report points out that the eastern European countries will inevitably become more attractive to money launderers, especially as their currencies move to convertibility. However, the countries closest to convertibility, such as Czechoslovakia and Hungary, also tend to be the ones that are drawing up new banking laws. The FATF believes this is a good time to impress the importance of stamping out laundering from the start.

FATF held a seminar for senior financial officials of the Czechoslovak, Polish and Hungarian governments in Paris in February and had what Mr Lautenberg described as "very constructive discussions".

The less developed eastern European countries and most former Soviet republics present greater challenges. Mr Lautenberg said that FATF intended to take stock over the next few months and then get in touch with the authorities in these countries. But a FATF official admitted that it was very difficult to make progress in countries where the people in charge were changed frequently and the need for hard currency was desperate.

Meanwhile, the task force still has plenty to do in its own backyard. Many of its members, which are the 24 OECD countries plus the Gulf Co-operation Council, Hong Kong and Singapore, have yet to implement FATF's recommendations for curbing money laundering.

According to the report, only 10 of them have ratified the 1988 Vienna convention which would oblige them to make drug money laundering criminal offence. And many still do not oblige banks to verify the identity of those making big transactions.

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NEWS: INTERNATIONAL

Arms team expresses pessimism

Iraqis hail 'victory' over UN

By Mark Nicholson, Middle East Correspondent

IRAQ yesterday proclaimed it had won a "brilliant victory" over the United Nations by reaching agreement for a team of "neutral" UN weapons experts to inspect an agriculture ministry building.

Under the agreement, which defused the most serious threat of resumed allied military action against Iraq since the Gulf war, a team of seven UN inspectors, led by Mr. Achim Bernmann, arrives in Baghdad today to complete inspection there of the ministry building, from which a previous UN team had been barred since July 5.

However, Mr. Rolf Ekeus, chairman of the special commission investigating Iraq's weapons of mass destruction, said on his way to Baghdad that he was pessimistic that the team would now find anything in the building. British officials said they expected the team to find only "some traces" of the documents and materials relating to Iraq's missile programme which UN inspectors suspected to have been hidden in the agriculture ministry.

The original team of UN chemical weapons inspectors called off a vigil outside the building last week in the face of concerted and increasingly hostile demonstrations. Both Iraq and the Gulf war allies yesterday claimed that the other side had backed down.

Mr. Mohammed Hamza al-Zubaidi, Iraq's prime minister, said in a statement carried by the Iraqi news agency that the UN's agreement to send in a team of inspectors excluding nationals from the main Gulf war protagonists was a "brilliant victory" which "incarnated the solid national will of the Iraqis" around President Saddam Hussein.

President George Bush, meanwhile, claimed that Mr. Saddam had climbed down and said that further "infringements" of the Gulf war ceasefire terms would not be tolerated. US officials said President Bush was due to meet senior national security advisers last night - the third such meeting in a week.

British and US officials stressed yesterday that although the crisis over the agriculture ministry building had eased, to the extent that the immediate threat of military action against Iraq had been deferred, there was continued concern over other

The atmosphere will remain fairly hot for a while yet, one official said

aspects of Iraq's more general defiance of the UN and the west. "The atmosphere will remain fairly hot for a while yet," said a British official.

Diplomats were unconvinced, in particular, that the stand-off over UN access to the agriculture ministry would be the last time Mr. Saddam would attempt a provocative policy of "cheat and retreat".

With few other readily available options, diplomats say the Gulf war allies will maintain pressure over not only the UN weapons inspectors' access to Iraq's installations but also over the safety of UN guards in northern Iraq. Baghdad's attacks on UN soldiers in the south and other breaches of the ceasefire resolution. These include the non-return of Kuwait property.

The US yesterday kept the threat of military action alive by preparing to send another aircraft carrier to the Gulf.

Patten to draft HK blueprint by autumn

By Simon Holberton, in Hong Kong

MR Chris Patten, Hong Kong's new governor, is expected to place comprehensive plans for the colony's future political development before the British cabinet in the autumn, Mr. Douglas Hurd, foreign secretary, said yesterday.

At the end of a two-day visit to the colony, Mr. Hurd promised speedy government deliberation of Mr. Patten's blueprint.

He said Britain would consult China "as necessary". He stressed that Britain wanted to ensure the "continuity" of Hong Kong's political system beyond 1997, when sovereignty reverts to China.

The foreign secretary also announced yesterday that talks between Britain and China over Hong Kong's multi-billion dollar airport would resume on Thursday. He said it was in the interests of Hong Kong and China that they settle outstanding issues.

Mr. Hurd said Mr. Patten's review of the political structure in Hong Kong would include the issue of more democratically elected seats for the local legislature.

It would also include arrangements for the colony's 1995 elections - the last to be held under British rule.

Mr. Hurd promised consultation with China on both issues. The review is expected to incorporate Mr. Patten's views and recommendations on the role and composition of the Executive Council, or cabinet, and its relationship to the local legislature.

It may also include a recommendation that he institute a local version of "prime minister's question time".

It was unclear yesterday whether Mr. Patten would make his recommendations to the British cabinet in person. Mr. Patten is due to open the autumn session of the local legislature on October 7. Officials are uncertain whether the government will have completed all work by the review of the political structure by that time.

Spratly spat moves into murkier water

China's tactics set Asean alarm bells ringing, writes Victor Mallet

THE conflicting territorial claims to the Spratly islands have been vividly illustrated in photographs and television pictures released by the various claimants. The most recent, from Xinhua, the Chinese news agency, takes on an almost comical air.

It shows three men on a tiny rock in the middle of the South China Sea with a Chinese flag, a concrete territorial marker and a hut - twice as big as the rock itself - standing on stilts in the shallows.

Nothing could illustrate more clearly the nature of argument over the 100 or more atolls, reefs and islets that make up the Spratly islands: few people would want or be able to live there unsupported, but governments want to own them in order to lay claim to the surrounding waters.

The islands - called the Nansha by China and the Kalayaan by the Philippines - are scattered along the shipping route between the Indian Ocean and north-east Asia, and are believed to have oil and gas deposits under the seabed.

The main protagonists in the dispute are China and Vietnam, but Taiwan, Malaysia, the Philippines and Brunei also lay claim to all or some of the Spratlys. With the exception of the small sultanate of Brunei, all have troops stationed in the archipelago.

At a south-east Asian summit six months ago, nobody gave much thought to a dispute which has simmered since the Second World War and only occasionally erupted into violence.

In February, however, China passed a law reaffirming its sovereignty over almost the entire South China Sea and reserving the right to use military force to defend its claims. Vietnam protested. So did Japan, because the Chinese law also embraced a group of islands claimed by Tokyo in the East China Sea.

In May, as if to underline the message that the South China Sea was not called the Cold

China Sea for nothing, the Chinese authorities signed an agreement with Crestone Energy Corp of Denver to explore for oil between Vietnam and Malaysia.

The concession area is regarded by Vietnam as part of its continental shelf and lies about 1,000km south of the Chinese island of Hainan. Vietnam, which says it lost 72 men and three vessels in a battle with China over the Spratlys in 1988, protested again.

Japan and the six members of the Association of South East Asian Nations (Asean) - Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand - have watched China's forays into the Spratlys with growing alarm.

At a meeting of foreign ministers in Manila last week, Malaysia said it was watching events with "grave concern", the Philippines said a solution should be urgently sought to avoid "perilous developments", and Indonesia spoke of the danger of "mutually destructive confrontation".

Although only the Philippines were openly prepared to admit it, there was considerable debate over the risk of Chinese expansionism and the desirability of continued US and Russian military deployment in the region to provide a "balance of forces".

Mr. Qian Qichen, the Chinese foreign minister who was a guest at the meeting, denied that China was seeking regional hegemony. China, he said, wanted to shelve disputes and proceed with "joint development" of the Spratlys.

However, Asean ministers were apparently unable to elicit an explanation as to how China reconciled its 1981 rapprochement with Vietnam and its talk of "joint development" with the planting of new territorial markers on the atolls and the unilateral decision to award an exploration contract to Crestone.

The region's optimists say it was inevitable that irritating disputes like the Spratlys would surface once the Cold



A photo released by Vietnam during its 1988 battle with China over the Spratly islands

War ended. They believe that China, preoccupied with domestic politics and the strains of economic growth, is testing the mettle of its neighbors with its recent activities in the South China Sea.

Mr. Douglas Hurd, the British foreign secretary, told the Asean meeting how much the region had progressed since he first came to Manila as a young diplomat in the 1950s.

The pessimists, despite

claims by the US and Russia that each intends to remain a Pacific power, view the end of the cold war and the closure of US bases in the Philippines with foreboding. They see China as a potential regional bully whose influence is already visible in Beijing's support for the Burmese junta and the Khmer Rouge guerrillas in Cambodia.

"The Chinese will have the option to use 'gunboat diplo-

macy' as a means to achieving their political objectives," wrote Tai Ming Cheung in a paper on the growth of Chinese naval power for the Institute of South East Asian Studies. "As the navy grows stronger, the chances of conflict over the Spratlys becomes an increasingly real possibility, unless a satisfactory diplomatic solution can be found in the next few years." The paper was published in 1990.

Turkey seeking to improve ties with Baghdad on oil

By John Murray Brown, in Ankara

TURKEY'S state pipeline company has sent a delegation to Baghdad for the first time since the Gulf crisis started almost two years ago, in a further indication that Ankara is seeking to improve relations with Iraq.

Officials confirmed that Botas, the pipeline company, sent representatives to the Iraqi capital earlier this month to consider the technical problems involved in re-opening the 1,000km twin pipeline, which was built to take Iraqi crude to the Mediterranean.

Officials say Turkey has dropped its demands for financial compensation from Iraq for the loss of revenue which resulted from the imposition of United Nations trade sanctions against Iraq in August 1990. Turkey is instead considering claiming from the Geneva-based UN War Reparation Fund.

With Ankara soon to re-open its embassy in Baghdad and Prime Minister Suleyman Demirel urging reconciliation during last week's showdown over Iraqi compliance with Gulf war ceasefire resolutions, Turkey is making a renewed effort to improve relations.

Turkey's decision to send Botas to Baghdad follows reports that Iraq is considering building an alternative pipeline through Jordan. The move is a measure of Turkey's concern that the Gulf crisis should not prejudice its long-term commercial ties with Iraq, before the war its second largest trading partner.

Since Iraq invaded Kuwait, Turkey has lost almost \$600m (£314m) in tolls foregone on the twin pipeline from Mosul in north Iraq to Iskenderun on the Mediterranean. Turkey claimed a contractual right to compensation, under the original agreement.

Its headline position was in part responsible for Iraq refusing to adopt the terms of UN resolution 706, under which Iraq would ship \$1.6bn worth of oil exports to finance medical and food imports under UN supervision. The former Motherland party government demanded \$364m for use of the pipeline for this six-month operation.

However, Mr. Demirel's government is taking a softer approach. Turkey, unlike Saudi Arabia - Iraq's other export outlet - has made it clear that it would reopen the pipeline as soon as United Nations sanctions were lifted.

Egypt attacked on human rights

By Tony Walker, in Cairo

THE New York-based Middle East Watch yesterday released a scathing report of Egyptian human rights violations, including widespread torture, long detention without trial and arbitrary arrest.

The report, "Behind Closed Doors: Torture and Detention in Egypt", speaks of a "sub-culture of violence" among Egyptian officers employed by the Interior Ministry to deal with political threats to Egypt's stability.

Singing out an organisation known as the State Security Investigation (SSI) within the Interior Ministry for criticism, Middle East Watch reported that the "detailed testimony of torture victims (indicates) that the methods of torture in Egypt are rigorous, yet predictable, indicating that a system appears to be in place to train SSI personnel in torture techniques."

"Among the Egyptians who have suffered tortures," blindfolded, beatings, hangings, electric shocks and other abuses are lawyers who defend politically unpopular clients, journalists affiliated with Islamist publications, ... and

individual citizens targeted because they are thought to possess valued information."

Middle East Watch, which is affiliated to the respected Human Rights Watch organisation, charged that physical and psychological mistreatment is "facilitated and protected by a state-sanctioned system of incommunicado detention."

Among typical torture methods identified by the human rights group were beating and kicking of a blindfolded victim; suspension by the wrists for long periods; beatings on the soles of feet; degrading treatment, including threats against relatives; and the use of electric shocks administered to various parts of the body.

Middle East Watch also strongly criticised the Egyptian authorities for failing to investigate complaints about torture, or to take concrete steps to end the practice.

The organisation also condemned the failure of Egypt's western aid donors, including Washington, to press the issue of human rights.

"The US Congress has been equally derelict," the report added.

Policemen killed by extremists

MOSLEM extremists yesterday shot dead two policemen guarding a government building in a southern Egyptian town that has witnessed an upsurge in extremist violence in recent months, police told AP in Cairo.

A police official, speaking by telephone from Dairut, 190 miles south of Cairo, said the assailants fired shots from a car, killing the two guards on the spot and then fled. The sentries were stationed at a government rest house where officials from other regions stay while they are on official business.

This was the second attack in three days involving militants in Dairut. On Saturday a sentry guarding a church in the town was shot and wounded.

In May, 13 Christians were killed by Moslem extremists in a dispute over property ownership. Since January, 48 people have been killed and 63 wounded in attacks blamed on militants seeking to force the government to implement Sharia or Islamic law. The casualties include Copts, policemen, extremists and innocent bystanders.

Australia unveils jobs scheme

By Kevin Brown, in Sydney

AUSTRALIA'S hard-pressed Labor government yesterday unveiled plans to spend A\$767m (US\$572.3m) over three years to provide training and subsidised jobs for young workers hit by recession and weak economic recovery.

Mr. Paul Keating, the prime minister, said the scheme would cost A\$327m this year.

A\$335m in 1993-94 and A\$135m in 1994-95. It follows a A\$720m expansion of technical and further education announced earlier this year.

The announcement reflects the government's sensitivity to youth unemployment in the run-up to the next federal election, which must be held by June next year.

The conservative opposition has opened a significant opin-

ion poll lead over the government since total unemployment reached a record 11.1 per cent in June. Nearly 36 per cent of workers under 19 are unemployed.

The spending programme will not be offset by savings from other elements of the federal budget, which is expected to be more than A\$12bn in deficit this year, following a deficit of A\$9.4bn in 1991-92.

Mancham disputes poll result

SIR James Mancham, the former Seychelles president, cried foul yesterday after losing an election to President Albert Rene, the man who overthrew him 15 years ago. Reuter reports from Victoria.

"We do not consider the election result credible," said Sir James. He returned from exile this year to lead the Democratic party in the contest for seats on a 20-member constitutional commission.

The vote on Sunday was the first multi-party poll for 18 years in this cluster of 115 Indian Ocean islands.

Commonwealth observers judged it free and fair but Sir James accused Mr. Rene's Seychelles Peoples Progressive Front of intimidating voters.

Mr. Rene's party won 34 per cent of the vote and will have 14 seats in the commission, which is to write a new constitution before a presidential election in December.

The Mancham campaign won 33.7 per cent and will have the remaining seats.

Chinese bus plant leased

CHINA has leased a state-owned factory to a foreign company for the first time in four decades, marking another milestone in its efforts to turn around loss-making industries, Reuter reports from Beijing.

The Economic Information Daily said yesterday that a plant in Sichuan province manufacturing buses had been leased for 15 years to a Hong Kong company for \$11.5m.

Algiers blast linked to fundamentalists

TENSION between the Algerian government and Islamic fundamentalists continued to smolder yesterday as a home-made bomb exploded near a police station in the Algiers neighbourhood of Belcourt, AP reports.

Though no one claimed responsibility for the bombing, it bore the hallmarks of a wave of attacks by fundamentalists on police and troops in retaliation for a harsh crackdown on their movement.

No one was injured in the blast, which occurred in one of the capital's fundamentalist strongholds. The attack followed a bombing early on Saturday in el-Khroub, eastern Algeria, which left three people dead and several others injured. Bombs also exploded last week at a cinema in an Algiers suburb and at the capi-

tal's main post office.

The Front for Socialist Forces, a democratic opposition party, said yesterday the attacks showed that the campaign to crush the fundamentalists had failed. "Repression is incapable, by itself, of resolving a problem that is eminently political," it said.

State radio reported that 26 people were detained on Sunday on unspecified charges in Djelfa, 125 miles south of Algiers, after clashes between fundamentalists and police on Friday left one person dead and two injured.

The latest bombing followed the arrest of commanders of Algeria's presidential guard and special forces and eight others in connection with last month's assassination of Mohamed Boudiaf, head of the ruling High State Committee.

Indian premier gives pledge on Ayodhya site

By Shiraz Sidhwar, in New Delhi

MR Narasimha Rao, the Indian prime minister, assured parliament yesterday that the 16th century Babri mosque in the northern city of Ayodhya would not be demolished to make way for a Hindu temple.

The dispute over the future of the mosque has caused communal tension between Hindus and Muslims including rioting in two Indian states last week.

Hindu militants agreed over the weekend to follow a court order stopping construction at the disputed site.

They also agreed to wait for

the Indian courts to decide on the dispute. Mr. Rao said the government was willing to consolidate all the cases pending in different Indian courts under "one judicial authority" for a speedy verdict on the temple issue. He also suggested the all-party talks resume to solve the temple dispute amicably.

Supporters of the Hindu Parishad (VHP) and the Bajrang Dal, both militant affiliates of the Hindu right-wing Bharatiya Janata party (BJP), have reluctantly agreed to shift their attention for now to another temple at a site nearby in Ayodhya.

Israel 'well placed' to take on big foreign debt burden

By Hugh Carnegie, in Jerusalem

ISRAEL is well positioned to cope with the big burden of foreign debt it intends to take on to help absorb mass immigration from the former Soviet Union, Mr. Jacob Frenkel, the governor of the Bank of Israel, said yesterday.

The government is confident it will shortly get US government guarantees to back \$10bn in foreign borrowing after taking steps to meet Washington's condition that it ease expansion of Jewish settlements in the occupied territories.

Left: Mr. Jacob Frenkel, Bank of Israel governor, who backs borrowing to help absorb an influx of immigrants

The guarantees are also seen in Israel as the key to winning a further \$10bn in loans from international markets over the next five years.

Mr. Frenkel rejected suggestions that Israel, which relies heavily on US aid to help service existing debt, could not afford such a heavy load.

He said the ratio of foreign debt to Gross National Product had been reduced from 20 per cent in the mid-1980s to 37 per cent now.

"Israel has positioned itself in the best possible starting point for a borrowing enterprise," he said.

In an interview with the FT, Mr. Frenkel said Israel needed such large amounts of foreign capital because domestic sources were not sufficient to

match the investment required as a result of immigration, which has totalled around 400,000 in the past 30 months.

"The alternative to borrowing abroad will be less investment today, and less investment today misses the entire point of a successful absorption of immigration in the private sector in the most effective way," Mr. Frenkel said.

But he reiterated his insistence the new Labour-led government must use the loans to back a comprehensive programme of market reform, to increase investment in infrastructure and to reduce fiscal deficits, thus ensuring the productive growth that in turn would facilitate debt servicing. He said he was optimistic the government would do so.

NEWS: WORLD TRADE

Urenco enters Japanese market

By Gordon Cramb in Tokyo and Clive Cookson in London

URENCO, the uranium enrichment consortium which links British Nuclear Fuels with German and Dutch partners, has broken into the Japanese market. Tokyo Electric Power Company (TEPCO) has awarded Urenco a long-term contract expected to be worth at least \$300m (£157m) over 10 years.

TEPCO said that because there were very few international providers of enriched uranium, it had decided to widen its sourcing in order to ensure that its needs were met.

As the country's biggest electric utility, TEPCO's choice of Urenco is thought likely to prompt other Japanese regional power companies to follow suit.

Japan is now one of the few countries with a clear policy to expand nuclear generating capacity. Its needs for enriched uranium are currently met by the US, through the Energy Department in Washington, and by the French-led Eurodif.

TEPCO said the contract, which runs from 1995-96, had passed all regulatory approvals required by the Ministry for International Trade and Industry.

Urenco is to supply two boiling water reactors which TEPCO is building in Niigata Prefecture in central Japan. The deal comes after several years in which it has tried to enter the Japanese market while protecting the centrifuge technology developed by the venture.

Mr J.A. Paleit, Urenco managing director, said the enrichment work would be carried out by all three of the consortium's partners: British Nuclear Fuels, Urenco of Germany and Ultra-Centrifuge of the Netherlands. It is likely to add at least 10 per cent to Urenco's turnover in the late 1990s.

Japan's 42 existing nuclear power facilities all have long-term supply contracts, with further opportunities for Urenco most likely to accompany new plants. Eleven are being built, with 20 more in various stages of planning.

McDonnell Douglas boosts Israeli ties

By Paul Betts, Aerospace Correspondent

MCDONNELL Douglas, the US aerospace group, is strengthening its ties with the Israeli aerospace industry by contracting two Israeli companies for additional work worth about \$522m (£273m).

The biggest contract, worth around \$500m, involves the state-owned Israeli Aircraft Industries (IAI) and includes work on overhauling DC-9

twin-engine commercial airliners and extending IAI's activities on wing components for the US group's MD11 three-engine airliners.

The second contract worth \$22m over five years involves the Haifa-based Elbit company, which will produce cockpit displays for the T-45 trainer aircraft system for the US Navy.

The centre piece of this system is the T-45 Goshawk aircraft, the US version of the British Aerospace Hawk

trainer in which McDonnell Douglas is prime contractor to the US Navy, and BAE main subcontractor for the aircraft.

The US group said it had decided to strengthen its ties with Israeli industry "because of its competitiveness and commitment to high quality".

Under its agreement with McDonnell Douglas, IAI will carry out maintenance overhauls on the first six of a fleet of 26 DC9s formerly owned by Delta Air Lines. IAI would help

lease or sell the DC9s.

It was the first time the US group had taken back an entire fleet of aircraft from an operator and begun an extensive maintenance programme, it said. After being refurbished, the jets are expected to be leased back to Delta.

IAI will continue to build all production requirements for MD11 three engine jetliners' fixed leading edge and slat assemblies under an expanded agreement with

McDonnell Douglas.

The US company indicated it was continuing to work with airlines in an effort to launch a new four-engine jumbo, the MD12. The company, which originally wanted to launch the MD12 programme this year, is now hoping to launch the new jumbo project next year. But the future of the MD12 programme will critically depend on the US company securing an alliance with international partners.

SII talks open with renewed urgency

Japan's large trade surplus is set to redefine long-term plans, writes Robert Thomson

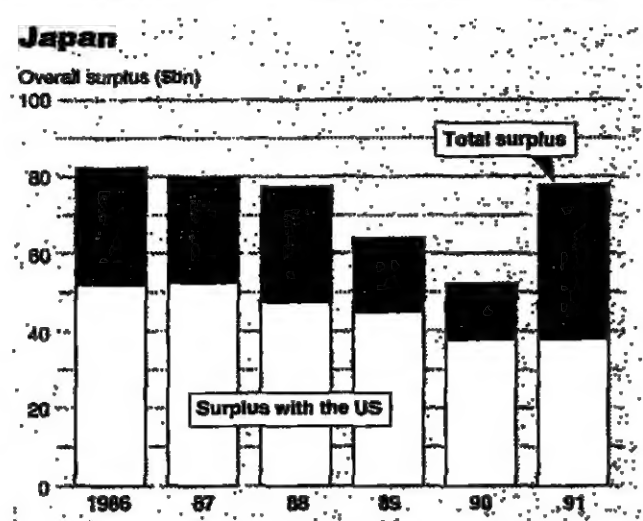
THE US today restarts the hunt for the "structural impediments" said to be behind Japan's persistently large trade surplus, which is set to reach a record \$100bn this year.

Two years ago, the two countries signed the Structural Impediments Initiative (SII) pact that left behind day-to-day disputes and attempted to alter the structure of the Japanese economy. US negotiators extracted promises for infrastructure spending, reforms to the distribution system, and a study of the *keiretsu* - the large corporate groups.

The original agreement, which took a year to negotiate, was extraordinarily detailed, with Tokyo agreeing to increase the size of the average Japanese house from 39 square metres to 45 sq m by 1995 and to add 25,000km of footpaths over the next decade as part of the infrastructure package.

SII was repeatedly described as a "two-way street" and, for its part, the US was supposed to overhaul the education system, encourage executives to take a "longer-term" attitude, reduce the budget deficit, and speed the introduction of the metric system.

At the time, the two agreed that the SII promises would need "several years" to take effect, but the surge in Japan's



trade surplus this year and an imminent US presidential election will encourage US negotiators to be more impatient during this week's discussions.

Japanese officials say they have reason to be angry because the "US hasn't kept any of its promises and we have done a lot of work," as one negotiator put it.

The Japanese will produce the original report and emphasise that little has been done on the deficit, the US corporate culture and even the metric system.

A more assertive Japan will

complain about "Buy American" campaigns, which, it argues, creates obstacles for overseas companies attempting to penetrate the US market.

The Japanese government is concerned that the flagging popularity of President Bush will prompt a tougher US response. The US Trade Representative's office saw SII as a means of avoiding managed trade, but the size of the US bilateral deficit and of Japan's overall surplus have made

easy-to-define concessions a political priority for the US Administration.

In spite of SII, Japan accounted for 32 per cent of the US trade deficit in May and 74 per cent in April, while Japan's overall trade surplus rose 49 per cent to \$77.8bn last year and was a record \$49bn in the first half of this year.

The US will ask Tokyo to stimulate domestic demand and will again call for studies of the country's corporate culture. The US wants further vigilance in the monitoring of anti-monopoly laws and investigations into the business habits of large trading houses.

One of the more obvious changes in Japan since SII has been the increasing prominence of the Fair Trade Commission (FTC), the anti-monopoly body.

On Friday, the commission imposed surcharges totalling ¥1.4bn (\$5.8m) on 38 companies in four industries for price fixing and cartel violations. Two weeks ago, 166 construction and related companies were ordered to disband a cartel in central Japan for allegedly rigging bids for public works projects.

The FTC's success has prompted US officials to believe that cartels remain commonplace and that the country's corporate structure is, by its nature, restrictive. Regardless of the merits of Japan's structure, there are dif-

ferences in the relationship between manufacturers and their component suppliers. The Mitsubishi Research Institute has just found that 96 per cent of large Japanese manufacturers hold shares in subcontractors, while the figure in the US is only 15.6 per cent.

However, the Ministry of International Trade and Industry (MITI) emphasises that there is nothing unique about the *keiretsu*. MITI officials will tell US negotiators that Deutsche Bank has stakes in a range of leading German companies, and that Morgan Guaranty Trust has small holdings in companies such as IBM and Mobil that resemble the strategic stakes common in Japan.

The US is unlikely to be convinced and will press that private procurement practices be made more transparent. A separate MITI survey of 247 manufacturing companies found that only 25 per cent have their sourcing requirements in written form and 31.3 per cent have anti-trust guidelines.

The US is also set to raise the issue of Japan's convoluted distribution system again, most likely as part of its assault on the corporate groupings. They are likely to find MITI more defensive of the "distribution *keiretsu*", which "offer a balanced mix of competition and co-operation".

EC offers offset tariff cuts

THE EC yesterday sounded out major partners in Gatt to see if they would be satisfied with lower Community tariffs on other farm products as compensation for the damage they claim to have suffered from EC

protectionism on oilseeds, David Buchanan reports from Brussels.

The EC's executive Commission planned to discuss reaction to its offer, made yesterday, with EC governments on

Friday, so talks could end by August 18. This is the deadline for the Gatt negotiating procedure, where Brussels has offered to compensate its partners rather than make another change to its oilseeds system.

S Africa 'dumping' inquiry

THE European Commission is investigating charges that South African manganese steel, wearparts are being dumped at unfairly low prices on the EC market. Reuter reports from Brussels. The South African market share was said to have

reached 26 per cent in 1991. The share was higher in Britain and France, the EC's two main producers of wearparts - manganese steel castings used in machinery and liable to be worn away by the material processed.

NEWS: AMERICA

Nasa battling to save space station plans

By George Graham in Washington

THE US National Aeronautics and Space Administration (Nasa) faces a critical battle this week to save plans for a manned space station, when the House of Representatives decides whether to continue financing the ambitious project.

Nasa wants to start launching components of the space station into orbit in 1995, and for it to have a permanent four-person crew from the end of 1999.

Opponents, however, want to end space station funding before so much has been spent on its development that it cannot be halted.

As national concern spreads over the yawning federal budget deficit, the space station is one in a number of prestigious but costly programmes to become a target for congressional seeking to rein in government spending.

Like the superconducting supercollider - an \$8bn (£4.1bn) scientific research project killed by the House in June but revived this month by the Senate - and the Strategic Defence Initiative, known as Star Wars, the space station's critics question both its cost and scientific justification.

Nasa has already spent \$7.5bn on the station's development, and is estimated to need another \$30bn-\$40bn over the next six years. Broader estimates of the cost of building, launching and operating the station run as high as \$180bn.

The agency wants to use the station to study effects of prolonged space flight on humans and to conduct biomedical research in weightless conditions.

Critics counter that Nasa could learn more about the effects of long space flights by co-operating with Russia, which has accumulated consid-

erable experience with its space station. They argue that Nasa has grossly inflated its claims for the space station's research value, and that its huge cost will suck funding away from other more valuable research projects.

Two distinguished biologists writing in the Washington Post newspaper yesterday argued: "We are many times more likely to achieve significant knowledge here on the planet than in space, and to do so a lot more cheaply."

planet than in space, and to do so a lot more cheaply." Congressman Bob Traxler, whose appropriations subcommittee controls Nasa's purse strings, tried last year to kill the space station programme but was overruled by the full House.

This year his committee has left the space station untouched. But Mr Traxler plans, when the measure is debated by the full House this week, to propose an amendment to strike out the \$1.73bn pencilled in for the project in 1993.

While Congress is showing a greater appetite for spending cuts this year, the vote is still expected to go in favour of the space station, which is fiercely backed by members whose states benefit from the 75,000 private-sector jobs the project will create.

According to Space News, a weekly journal on the industry, 24 states have space station contracts worth at least \$1m, with spending mostly concentrated in California, Texas and Alabama.

Peru comes to terms with creeping civil war

AFTER 12 years of violence which has cost 26,000 lives and \$20bn (£10.4bn) in damage, Peruvians seem ready for the first time to admit they are witnessing a civil war.

President Alberto Fujimori's announcement last week that those accused of terrorism are to be tried under martial law - with the prospect of the death penalty for treason - has met popular approval.

In the run-up to today's Independence Day celebrations, Peru's fundamentalist Maoist guerrilla group Sendero Luminoso spread panic among the capital's still-affluent middle classes. Twelve days and nights of bombing left 35 people dead, hundreds injured and buildings wrecked.

For the first time Sendero hit civilians, including schoolchildren, indiscriminately. The onslaught forced Mr Fujimori to cancel his trip to last week's Ibero-American summit in Madrid. In a long-delayed and terse televised message on Friday he vowed that "those who are bleeding Peru to death, killing our children, destroying what they did not create, will be eliminated. Them and their poison."

Sendero is thought to have brought up to 1,000 guerrillas into Lima for the current campaign, which analysts predict will continue for a further two weeks. Fifteen car bombs

exploded while a similar number were disarmed. A two-day "armed strike" enforced with menaces and killings, paralysed the capital's public transport system and led to substantial lost production.

The government's counter-subversive strategy has again prompted heavy criticism.

Moves toward martial law have met popular approval, writes Sally Bowen

Despite some successes against subversion in recent weeks - notably the capture of leaders of the Tupac Amaru revolutionary movement (MRTA), Peru's second guerrilla group, and the dismantling of its extortion racket - Sendero's strength has been little affected.

The recent meticulously planned actions in Lima suggest the much-publicised capture last month of Sendero's "logistics chief" was less significant than the government had claimed.

Mr Carlos Tapia, a sociologist and expert on Sendero, says: "It is not true that Sendero is entering Lima because it has been routed in the highlands. The government thinks

that by announcing imminent defeat and twisting the truth, they really will make that defeat happen - but it's not so."

Mr Fujimori has often said his counter-subversive strategy depends on improved intelligence gathering. Yet analysts say there has never been such a dearth of warnings on big attacks.

Once again they blame disarray in the intelligence services on Mr Vladimir Montesinos, the powerful presidential adviser. The former army captain has given top military posts to friends, eliminating the normal armed forces' promotion structure and causing deep resentment.

Also alarming is the threat of Sendero's influence spreading to the rest of the continent. Recent Sendero-linked attacks have been reported in Chile, Bolivia, Ecuador and Mexico.

Mr Enrique Bernaldes, the now-deposed senator responsible for the most reliable statistics on violence and subversion in Peru, says: "Of all possible scenarios, this prospect of Peru being ringed by a political/military cordon sanitaire is the worst."

Sendero poses far more than the threat of brute violence. Now entering what it calls its "fourth campaign", the organisation is passing from "strategic equilibrium" to "strategic offensive". Unusually sophis-



President Fujimori: cancelled trip to summit

ticated leaflets widely distributed before last week's armed strike offer a 22-point political programme with broad popular appeal - and familiar Marxist rhetoric were calls for cuts in taxes, public service tariffs and fares, higher wages and pensions, homes for the homeless, improved health and education services and no privatisation.

"The Fujimori coup has done Sendero a favour," says Mr Hernandez de Soto, former presidential adviser and think-tank chief. "By destroying the credibility and legitimacy of government, he's left a political vac-

uum which Sendero is ready to fill. This requires a political, not a purely military, response."

Despite a second devastating bomb attack on his Lima institute, Mr de Soto is continuing to visit a series of Lima universities - known to harbour calls of Sendero sympathisers - to press his proposals for a return to democracy in November.

But in the present climate of violence and uncertainty, electing a constituent Congress to pave the way for a return to democracy is the last thing on most Peruvians' minds.

US recovery fears heightened

FALLING house sales and weaker business confidence have reinforced economists' fears that the US recovery, already one of the slowest on record, may once again be losing steam, writes George Graham.

The National Association of Realtors said yesterday the sales of previously owned houses fell 2.9 per cent in June, the third consecutive monthly drop.

Although home sales rose in the north-east, they fell

sharply in the mid-west and west. "We've been experiencing a stall within a rise," said Mr John Tuccillo, an economist with the association.

At the same time an index of business confidence produced by Cahners Economics, a Massachusetts-based forecasting group, showed a sharp drop in July. The survey showed businesses were particularly pessimistic about the chances of increasing workforces.

Mr Daryl Delano, senior

economist at Cahners, said: "These numbers are fairly convincing evidence that the recovery had once again stalled before the Federal Reserve's interest rate cut on July 2."

He said the effect of lower interest rates had not become clear when businesses were questioned, prompting an unusual degree of uncertainty among planners.

Economists expect the rate cut to boost sales in coming months as mortgage rates fall

USAir named in lawsuit after New York crash

USAIR, the US airline in which British Airways plans to invest \$750m (£392m) for a potential 44 per cent stake, is among four companies named in a lawsuit filed on behalf of two victims of the La Guardia crash in March, writes Nikki Taft in New York.

Twenty-seven passengers died when a USAir Fokker F28 veered off a runway on March 22 at New York's La Guardia airport and ended up in the icy

waters of Flushing Bay.

The lawsuit, filed in northern Ohio, seeks a total of \$80m in damages from USAir, Fokker Aircraft USA, Dow Chemical and Rolls-Royce.

It alleges that Dow Chemical, which made the de-icer used on the plane, and the other companies "knew or should have known that the de-icer they were using was not effective on this particular airplane in these circumstances".

NEWS IN BRIEF

FT and Izvestia in joint business publishing deal

THE Financial Times and Izvestia, the leading quality daily in what was the Soviet Union, yesterday announced a joint business publishing venture, Raymond Snoddy reports. Starting in October, the 300,000 Izvestia subscribers in the Moscow area will receive a weekly eight-page Russian-language business supplement. It will be printed on pink paper and be called Financial Izvestia.

The longer term aim is to turn the supplement into a jointly owned stand-alone weekly publication devoted to the economies of the former Soviet Union. If the project is a success, there would also be the eventual possibility of a daily business paper. Mr David Palmer, chief executive of the Financial Times, said yesterday: "The FT-Izvestia project is most exciting. The market for Russian-language and financial news is largely untapped."

Mr Igor Golemblovsky, Izvestia's editor-in-chief, said that for advertisers the venture would represent "a unique opportunity to reach decision makers in the most exciting developing market in the world".

Advertisers will be offered an introductory rate of \$10,000 a page. The venture is a high risk one. Earlier this month, there was an unsuccessful attempt to re-nationalise Izvestia. The new supplement will draw on the resources of both papers to provide readers with coverage of both Russian and international business and economic affairs. For some years the FT has been interested in exploiting the content of the paper through joint ventures in other countries and languages.

Ingersoll-Rand Russian venture
Ingersoll-Rand, the US industrial and construction equipment maker, yesterday announced a joint venture to manufacture power tools in Nizhny-Novgorod, formerly the closed city of Gorky in Russia, Andrew Baxter reports.

The new company, Instrum-Rand, will be majority-owned by the US concern, which is paying \$4m, mostly in the form of equipment to modernise Mekhimstrument, a partner in the venture. The third partner is Gorky Automobile Factory (GAZ), Europe's biggest truck manufacturer.

Japan to discuss new air routes
Japan will discuss opening new air routes with the US and Russia to ease congestion on existing US and European routes, an official of Japan's Ministry of Transport said. Reuter reports from Tokyo. The talks will be held in Khabarovsk, Russia, for three days from July 29.

The new US route will connect Alaska with Japan's Hokkaido Island, passing through Russia's Kamchatka Island, and is likely to open at the end of 1992 or in early 1993. The US and Russia had agreed to open the route in June, and this week's talks will centre on co-ordinating air traffic control between the three countries.

There are currently five air routes connecting the US and Japan. Japan and Russia will also discuss opening a second air route between Japan and Europe, flying over Siberia, likely to open about the end of 1993 or early 1994.

Jakarta updates trademark law

Indonesia has updated its trademark law which should give more protection to trademark owners, analysts said. Reuter reports from Jakarta. But the first new trademark law in 31 years, which takes effect next April, could take a while to bite. The new law will stop the Indonesian trademark office giving licences to new users of widely known trademarks. Local businessmen have registered duplicates and tried to sell them back to the original owners. The law includes criminal charges against "copycats" and allows appeals before a licence is awarded. Violators could face seven years' jail.

Mexico to turn away aid for drug fight

By Damian Fraser in Mexico City

THE Mexican government will no longer accept aid from the US to combat drug trafficking, according to Mr Ignacio Morales Luegna, the attorney-general. Aid would be refused from this month, he said.

The move seems to be in retaliation for the US Supreme Court ruling in June upholding the kidnapping of the Mexican murder suspect, Dr Humberto Alvarez Machain, by agents working for the US Drug Enforcement Agency. Mr Morales Luegna said in DEA activities in Mexico: "If you are a guest in a house you can't act like the host."

The aid amounted to \$48m (£25.1m) last fiscal year. The attorney-general said in an interview with the New York Times that the decision to refuse US money would not impede Mexico's fight against drug traffickers.

The government continues to bridle at the refusal to return Dr Alvarez Machain to Mexico for trial, and is seeking to amend the countries' extradition treaty to make such kidnappings illegal.

Last week Mr Santiago Onate, attorney-general for environmental protection, said that environmental co-operation between the US and Mexico had been made more difficult by the Supreme Court ruling and, by implication, Washington's refusal to return Dr Alvarez Machain. The Mexicans may not allow joint inspections of border factories, or joint settlement of environmental disputes.

Mexico had originally said after the court ruling that it would suspend activities of the DEA, but a day later it reversed its decision. The U-turn has been explained in some quarters by the Mexican government's fear of upsetting US legislators while North American free-trade agreement (Nafta) talks enter their most critical stage.

Lloyd's council told to quit by angry Names

By Richard Lapper.

THE RULING council of Lloyd's faced resignation calls yesterday at an angry extraordinary general meeting attended by over 2,500 Names, the individuals whose assets provide the market's capital.

The atmosphere was markedly more tense than at the annual general meeting in June, when Lloyd's reported its record losses of £2.06bn for the 1989 year.

The meeting set the agenda for a postal ballot in which all 32,000 Names will vote on demands for further reforms, to the beleaguered insurance market.

During the meeting, Mr David Coleridge, the chairman, confirmed he would resign at the end of this year and nominated Mr David Rowland, to take over, Mr Rowland, currently chairman of Sedgwick, must first seek election to the council before he can become chairman.

As the author of a reform programme, which Lloyd's agreed to implement earlier this year, he has widespread

support within the market.

The EGM followed an initiative by Mr Claud Gurney, Mr Gurney said. Names had "an opportunity to say goodbye to the old order" which was characterised by "incompetence and ineptitude".

"We deserve, they owe it to us, to be given an independent chairman so that Lloyd's could be run in the best interests of all the members."

Mr Neil Shaw, chairman of the Association of Lloyd's Members, which represents 9,000 Names, urged Names to vote for an alternative motion backing the council and supporting implementation of the task force reform programme.

Mr Shaw said the reforms - which include a modification of the principle of unlimited liability and the introduction of corporate capital - would "produce a new Lloyd's that is stronger and much more efficiently managed."

At present, agents and brokers are aiming to produce a fund of £500m. This "would fall well below the expectations and indeed the needs of those concerned," Mr Shaw said.

Labour steps up attack over economy

By Ivo Dawney, Political Correspondent

BRITAIN'S opposition Labour party is to revive the charge of Thatcherite ideological dogmatism against the government as a central theme of its campaign on the economy.

The opposition leadership will also accuse Mr John Major, the UK prime minister, of underestimating the recession, misleading the public during the election and complacency in the face of mounting unemployment and business failures.

A detailed strategy, to be agreed at tomorrow's first meeting of Labour's new cabinet, intends to keep ministers on the defensive while stimulating Conservative unease - already stirred up by the efforts of Tory Euro-sceptics.

Mr Gordon Brown, Labour's chief finance spokesman, has begun by charging Mr Norman Lamont, chancellor of the exchequer, with "arrogant complacency" over the recession. Later this week, he expects to present policy options to back up his critique that the notion - "there is no alternative" - is fallacious.

Party officials are convinced that the failure of the economy to take off in the wake of the Conservative election victory has offered them a seam of opportunities to subvert an already vulnerable chancellor.

Officially, Labour claims that the government was aware even before the day of the election that an upturn was never on the cards. It will charge the Tories with "lying" to the electorate.

There is some evidence, however, that the continued economic gloom was as unexpected by Labour as it appears to have been in government circles.

Also close to the top of the agenda of Mr John Smith, the new Labour leader, is Europe. He is looking for a policy stance that will stifle calls for a referendum on the Maastricht treaty while keeping the party united around the pre-election policy of support for the treaty's goals.

British Rail forms subsidiary to run Channel rail link

BRITISH Rail, the state rail network, has created a wholly owned subsidiary called Union Railways to take responsibility for building the planned £4.5bn rail link between London and the Anglo-French Channel tunnel, writes Richard Tomkins.

Mr John Prideaux, formerly managing director of BR's new ventures division and chairman of the new company, said the aim was to give people working

on the link more focus and motivation. It is also likely, however, to be seen as paving the way for the managers of the project to bid for control of it under the government's proposals to privatise BR.

Several failed attempts to start construction of a Channel tunnel rail link culminated last year in the government's decision that BR should produce revised proposals for a route taking an

eastern approach to the capital through Stratford, east London.

The government said that once the route had been decided, the private sector should take the project forward; but it is not yet clear whether the private sector will be interested.

Mr Prideaux said that he expected to set out the main options by the end of the year, complete with the economic appraisals and options for public

sector and private-sector funding. Government legislation, he hoped, would be introduced so that the line could be ready by the turn of the century, he said.

Mr Prideaux added that he thought the private sector would only want to get involved in the project after legislation had been passed, so Union Railways should have a life of at least three years.

Liquidators prepare to strip Maxwell assets

MR KEVIN Maxwell, whose late father, Mr Robert Maxwell, was one of the UK's richest, is on the verge of being made Britain's biggest bankrupt.

On August 17 Robson Rhodes, liquidators of Bishopsgate Investment Management (BIM) who have already won a judgment against Mr Kevin Maxwell for more than £400m, will ask the High Court to declare him bankrupt.

They believe that judgment will give the best chance of gathering assets for Maxwell creditors.

The High Court granted the liquidators final judgment on the grounds that Mr Maxwell had no defence to allegations of breaches of his fiduciary duty as a director of BIM, from which hundreds of millions of pounds of Maxwell companies' pension funds are missing.

The liquidators are currently seeking final judgment on an identical claim against Mr Maxwell's brother Ian.

Robson Rhodes have wasted no time in moving against Mr Kevin Maxwell. The judgment against him was obtained only on July 20. The liquidators then served a statutory demand for payment of the judgment debt.

Normally three weeks are allowed for compliance with a statutory demand but the law permits abridgement of that time "if there is a serious possibility that the debtor's property or the value of any of his property will be significantly diminished during that period."

The liquidators hope also to short circuit the normal procedure of the appointment of an interim receiver, followed by the official receiver, who would take possession and control of the debtor's assets. They hope to get the immediate appoint-



Facing the court: Kevin Maxwell arrives at the London Law Courts, where liquidators are seeking a bankruptcy ruling

ment of a trustee in bankruptcy, who would become the legal owner of Mr Maxwell's assets.

In an affidavit sworn after his father's death, Mr Kevin Maxwell put his assets at £1.8m. They included a house in Chelsea, owned jointly with his wife Pandora, a chateau in Lot et Garonne, France owned jointly with Ian, £45,000 owed to him by his mother, a £25,000 Morgan car, and a £2,000 horse.

Less is known about the assets of Mr Ian Maxwell, who lives in a £400,000 flat in Belgravia registered in the name of his wife Laura.

Robson Rhodes, meanwhile, are confident that the trustee's authority will be recognised overseas and will achieve quicker access to information - and assets - than govern-

ment agencies which use diplomatic channels. The trustee is likely to focus in particular on areas such as Liechtenstein, where trusts are suspected of holding the key to a secret Maxwell pot of gold, and the US, where companies in which members of the Maxwell family had directorships or shares are suspected of having been used as vehicles for transferring cash beyond the more visible parameters of the Maxwell empire.

Administrators of Maxwell companies have already begun legal action in the US, believing that transfers to Liechtenstein companies occurred before and after Mr Robert Maxwell's death last year.

Although not named in court, two companies - PH(US) Inc, a US company con-

trolled by Swico Anstalt, a Liechtenstein company that is part of the Maxwell Foundation, and Sphère Inc, a Californian computer games business also controlled from Liechtenstein - are the focus of this legal action. The Maxwell family's Liechtenstein associates made it clear last January that they were eager to co-operate with British investigators.

Local lawyer Mr Werner Keicher, who is also a director of the Maxwell Foundation, has said that a way had yet to be found under Liechtenstein law to release assets. He also said there was a problem in sorting out the various competing claims of demandeurs.

The trustee will look at the assets of Mrs Pandora Maxwell, including a £300,000 Oxfordshire house, to satisfy them-

selves that the ownership is genuine. A bankruptcy trustee has the power to take back from a wife anything given to her by the bankrupt within the previous two years.

After the trustee has gathered all the available assets he will distribute them to creditors. Priority goes to preferential creditors, such as the Inland Revenue.

During his bankruptcy, which could last for years, Mr Maxwell would be debarred from being a company director or involved, directly or indirectly, in the management of any company.

Jimmy Burns, Raymond Hughes and Ian Rodger

Buyers gather for coach operator's customer data

By Michael Skapinker, Leisure Industries Correspondent

AROUND 20 companies have expressed an interest in buying the customer database of Land Travel, the UK coach operator which collapsed last week.

Mr Robert Buller of liquidators Grant Thornton said yesterday that most of the potential buyers were travel companies who were experiencing a difficult season and wanted to increase their sales.

He said that the sale of the database would not provide funds to compensate the estimated 60,000 people who booked holidays with Land Travel or the 3,500 who had

their holidays cut short. Land Travel was not a member of the Association of British Travel Agents or the Bus and Coach Council or part of any money-back scheme.

Any money from the sale would go towards the cost of the liquidation, Mr Buller said. He said there was little prospect of a buyer wanting to purchase the company itself.

Mr Nigel Griffith, Labour's consumer affairs spokesman, said the government should consider paying compensation to customers who had lost money in the collapse.

Mr Griffith said: "For the past eight weeks it has been the talk of the travel trade that this company was in trouble."

coming decade and beyond for improving the inadequate performance of manufacturing.

Home lending up slightly

Bank lending for house purchases increased modestly in the second quarter, but the rise did not represent a real improvement in the housing market, according to the British Bankers Association.

The latest quarterly figures from the BBA, the trade body for Britain's nine biggest banking groups, showed that mortgage lending in the second quarter was £4.2bn compared with £3.6bn in the first quarter and £4.1bn a year ago.

Land values fall further

Residual land values, a sensitive indicator of the property industry, are still falling in most parts of the market, according to a new survey.

The report, by Hillier Parker, chartered surveyors, showed that such values in central London are between 17 and 8 per cent of their peak in 1989.

Residual land values, which are closely linked to the viability of property development,

are calculated by subtracting development costs from the capital value of a potential development.

Protest mars fourth test

Managers of the Pakistani cricket team touring England have reprimanded a player who protested at an umpiring decision during the fourth five-day test match against the English national side.

Rashid Latif was fined £120 by the English Test and County Cricket Board after throwing down his cap towards the end of the match at Headingley, northern England. England won by six wickets.

Launch date for Classic FM

Classic FM, the UK's first national commercial radio station, plans to launch on September 7.

The 24-hours a day station has chosen 5,000 pieces of classical music rated for accessibility by a music adviser and scheduled by computer. "By Christmas we hope to have 10,000 pieces," said Mr Michael Bukht, Classic FM's programme controller.

Britain in brief



Electricity watchdog probes prices

Professor Stephen Littlechild, the electricity regulator, has written to National Power and PowerGen, the electricity generators, asking them to explain why electricity prices have risen sharply since May.

The move could lead to a full investigation of electricity prices, and might end with the two generators being referred to the Monopolies and Mergers Commission.

Professor Littlechild's letters were written after large electricity consumers from the Major Energy Users Council, a lobby group, complained in May that electricity prices were too high.

Bingham report delivered

Lord Justice Bingham's report on the closure of the Bank of Credit and Commerce International, the corrupt international banking group, has been delivered to the Treasury and the Bank of England.

Lord Bingham was commissioned last year by the Treasury and the Bank to investigate the roles of the Bank of England and other official bodies in the events leading up to BCCI's demise in July 1991.

The Treasury has said it wants to publish as much of the report as it can. Its lawyers will determine what can be released without prejudicing future criminal prosecutions or infringing the Banking Act. Publication is unlikely until early September.

Ulster meeting planned

The British and Irish governments are due to meet in Dublin today in the last round of the Strand Three talks on Northern Ireland's political future, before adjourning all stages of the talks until September 2.

The meeting takes place following declarations made at

the weekend, by Mr Ian Paisley, the leader of the pro-British Democratic Unionist Party in Northern Ireland, that the talks will be "finished" if the Irish government does not make a commitment to hold a referendum on the controversial Articles Two and Three of the Irish constitution, when the Strand two talks resume in September.

The Articles make a territorial claim to Northern Ireland by the Irish Republic.

Mr Albert Reynolds, the Irish prime minister has rejected the idea of a referendum as being "implausible".

Engineering boost urged

A joint effort by government, academia and industry is needed to boost investment in engineering research and development, the Institution of Mechanical Engineers urges today.

The proposal for a forum to co-ordinate action is one of 10 recommendations by the institution in a report which highlights the lack of investment in UK engineering R&D compared with countries such as Germany and Japan.

The institution, which represents more than 78,000 engineers, says investment in R&D is of critical importance in the



Bridging the gap: Teesside's Transporter Bridge reopened yesterday following repairs which tested the ingenuity of engineers. Opened in 1911 to link the north east steel works and shipyards which lined the River Tees, the Transporter was designed to carry cars across the river on a moving deck suspended at road level. It closed in 1980 for repairs which cost around £150,000.

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THE BARCELONA OLYMPICS

OLYMPIC NEWS IN BRIEF

Diving gold for China



World champion Fu Mingxia extended China's domination of women's diving by winning the Olympic platform gold medal in breathtaking style. Fu, 13, was diving against herself during the latter part of the competition so complete was her mastery over the other 11 entrants. She eventually finished with 461.43 points, nearly 50 ahead of Elena Mirochina of the Unified Team. Mary

Ellen Clark of the US was third.

UK in rowing semi-final

British rowing star Steve Redgrave exuded Olympic class yesterday, cruising into the semi-finals of the coxless pairs with Matthew Pinsent. The Britons beat Slovenian rivals Izotok Cop and Denis Zvegalj with the day's fastest time.

Broome injured

David Broome's hopes of competing in a sixth Olympics seemed to be hanging in the balance as the veteran showjumper was recovering from a fall from his horse in a pre-Games event. The 52-year-old, who first competed in the Games in Rome 32 years ago, injured his ribs in a tumble from a possible Olympic mount while riding in France at the weekend.

Japan volleyball win

Japan were awarded victory in a controversial Olympic volleyball match against the US which the Americans originally won 3-2. The outcome of Sunday's game was reversed after a Japanese protest was upheld by the International Volleyball Federation.

CIS win freestyle relay

The CIS won the men's 4 x 200 metre freestyle final in a world record 7 minutes 11.95 seconds, followed by Sweden on 7:15.51. The US were third with 7:16.23. Britain came 6th on 7:22.57.

Hungarian Tamas Darnyi, 23, broke his own Olympic record from 1988 to win the 400m individual medley in 4:14.53, ahead of Eric Nussmeier of the US in 4:15.57 and Luca Sacchi of Italy in 4:16.34.

Fourteen-year-old Kyoko Iwasaki of Japan won the 200m women's breaststroke in an Olympic record 2:26.65. Lin Li of China came second in 2:26.85, with Anita Nall of the US third in 2:28.88.

Nicole Haislett, the top US female swimmer, surged in the final 50m of the women's 200m freestyle to finish in 1:57.90 from Franziska Van Almsick of Germany on 1:58.00. Kerstin Kielgass of Germany won the bronze in 1:59.57.

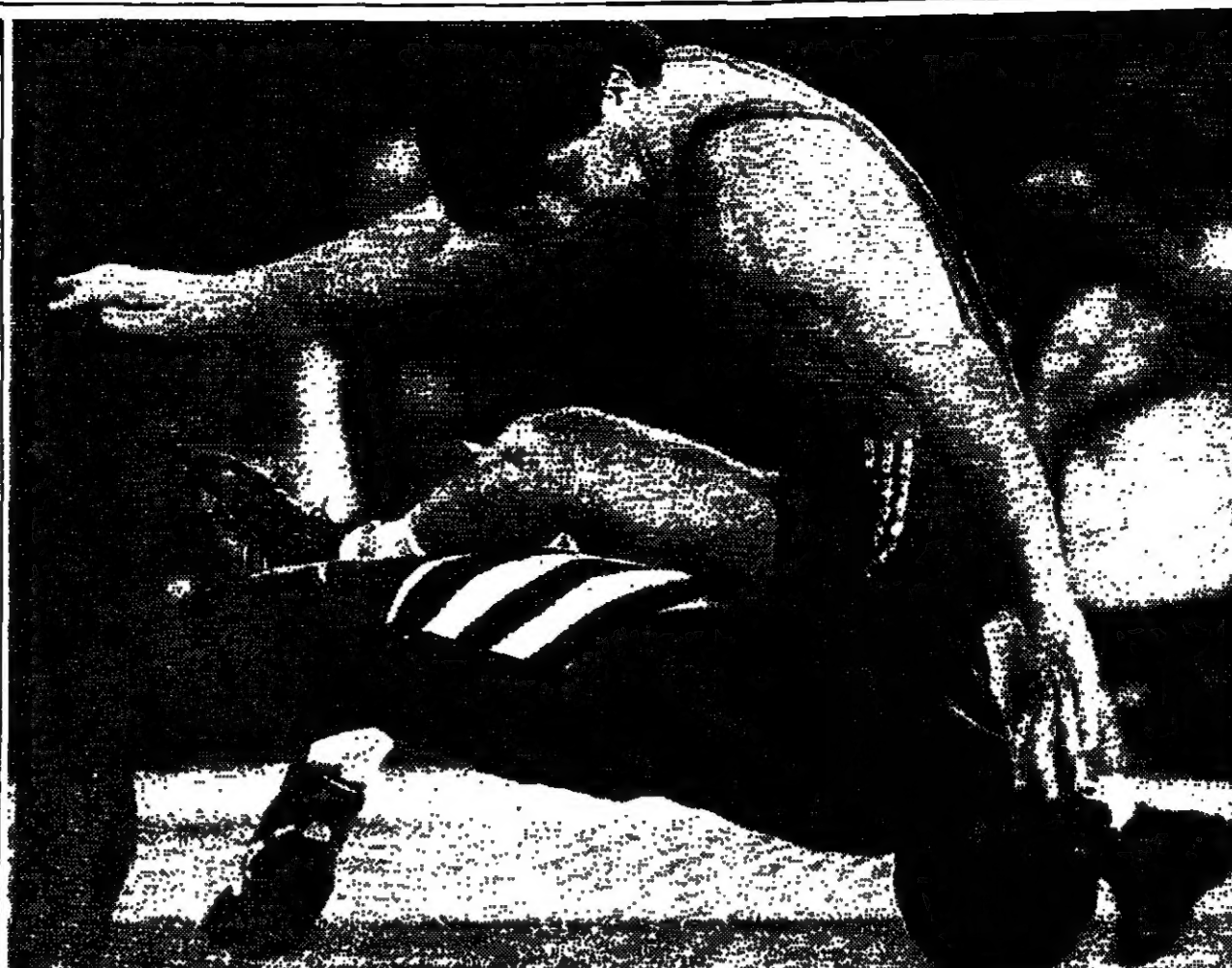
Pablo Morales came back from a 3/4-year lay-off by winning the 100m butterfly, finishing in 53.32secs from Rafal Szukala of Poland in 53.55 and Anthony Nesty of Suriname, in 53.41.

Cycling record for Boardman

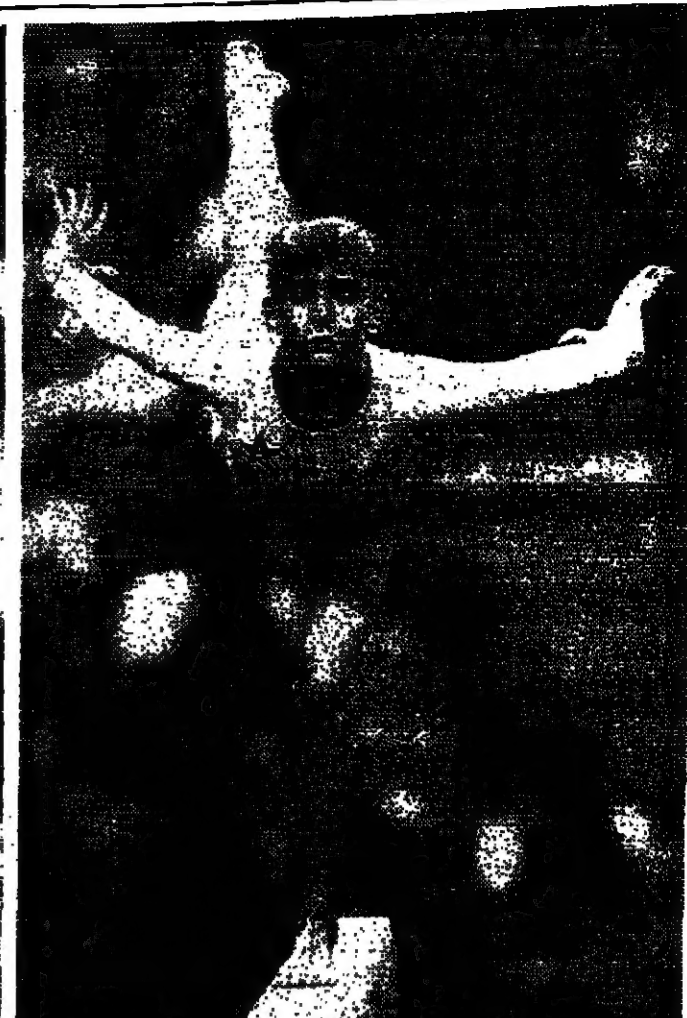
Britain's Chris Boardman came first with a world record of 4 minutes 27.387 seconds in the first heat of cycling's individual pursuit. J. Lehmann of Germany came second, with M. Kingsland of Australia third.

Early bath for Turkish rower

Turkish rower Ali Riza Bilal's Olympic dreams were washed out when he fell into Lake Banyoles halfway through his single sculls heat.



Force and finesse: American Rodney Smith (left, upside down) eventually eliminated Israel's Matwai Baranov in the 68kg wrestling. Right: gymnast Shannon Miller, of the US team, tip-toes on the beam



Soccer: the good, the bad, the ugly

Peter Berlin describes a contest between men and boys for gold, dollars — and glory

THE first of the Olympic soccer matches played in Barcelona called to mind a philosophical conundrum that has long baffled bar-room philosophers. When is a soccer ground half full and when is it half empty?

A crowd of 18,000 went to the 120,000-capacity Nou Camp stadium to watch Italy beat the US. To Italy's top young professionals, such as Renato Buso, whose previous big-time match had been in front of 80,000 fans at Wembley in the European Cup final, Nou Camp must have seemed almost empty. To the US college students, the noisy fans who did come made the arena seem almost full.

Italy and Spain are the two most talented of the 16 under-23 teams which are competing in the Olympic soccer tournament. The Italian team is packed with players from Juventus, Sampdoria and AC Milan. Many of the Spaniards play for Real and Atletico Madrid, and Barcelona.

But here Spain and Italy have a problem. Before the tournament, the Spanish squad threatened to strike. They wanted more money. They knew that the Olympics needed a good home squad to fill seats.

With games at the Nou Camp and three other 40,000-capacity grounds, the soccer tournament accounts for half the Olympic tickets on sale to fans. The Spanish players also argued that they might be injured in the Olympics. Their professional careers, they claimed, were not worth sacrificing for a mere gold medal. For them, the Olympics represent risk.

In the US, in contrast, there is almost no professional soccer. For the American players, and for those from eastern Europe, Latin America and Africa, the Olympics are a chance to gain what the Italians and Spaniards have and fear losing. If Italy or Spain do not win the Olympic gold, it will be because they will have triumphed over skill.

It was no surprise, then, that against Spain last Friday the Colombians came out kicking. But in front of their fans the home team held their nerve, kicked back and made their talent count in a 4-0 Group B win. In Group C, Tomas Brodin, a star in Italy, and Joachim Björklund both played with the same ferocity they showed for Sweden in the recent European championships. The Paraguayans clattered into Brodin but he clattered back.

This is not to say the game was dirty. Outside the UK, players today are trained to use violence with discretion and the Swedes and Paraguayans are above all else well trained. The Swedish team is made up of men who recently followed a long league season by reaching the semi-finals of the European championship and the final of the European Under-21 competition (they lost to Italy). Perhaps they are jaded, but I doubt it. The short, round Brodin apart, they are a collection of strapping young athletes, fit, strong, brave, their every move drilled and safe and predictable.

The Paraguayans, meanwhile, adopted the underdog tactics encouraged by tournaments with a group format: play for a draw and hope something will turn up. The game's few sparks came from Brodin. That is why he is being paid a fortune to play in Italy while his teammates are merely well paid and play in Scandinavia.

Mercifully, the Italian team has flair to spare. If they had played 90 minutes against the US as they did the first 21, they would have won by an American football score. Instead, they stopped trying. They allowed the US to regroup, conceded a goal and ended the game hanging on to a 3-1 win.

Even so, it was a contest between men and boys. The difference in the stature of soccer in the two countries was clearly demonstrated by differences in the stature of the players. The Italians, 1.85m a man heavier and 8cm taller, simply looked more adult alongside the shorter, chunkier Americans. In Italy, professional soccer has first call on the nation's athletes; in the US the big men traditionally play football or basketball.

On the other hand, everyone here is desperate for the US to do well so as to kindle enthusiasm for the 1994 World Cup. They are unlikely to win a medal, but there are encouraging signs. In the 1990 World Cup the US took on the full Italian team with a squad of well-disciplined athletes. This team contains players prepared to trust their soccer instincts, such as winger Cobi Jones and midfielder Claudio Reyna.

Traditionally, developing nations offer first the flair of ghetto football and graft on discipline and work-rate later. The US, which started by pinching athletes who were not big enough for other sports, are developing in reverse.

Against Italy, Jones, the smallest player on the field, took on and beat the hulking Italian full backs Baggio and Matrecano.

Everywhere they look in Barcelona the American soccer players will see the Olympic mascot and be reminded of the humiliation they received at the feet of his equally cuddly namesake. But even in defeat, Jones did his prospects of a lucrative contract far more good than any of the Swedes or Paraguayans did in avoiding defeat.

Meantime, FIFA, soccer's governing body, has fiddled with the rules again. It has decided that goalkeepers may not handle back passes. This, says FIFA, will get rid of "negative" football. The Olympics is the first big competition to be played with the new rule.

How the rule will effect play is not crystal clear because the players have not yet absorbed it. Indeed, the Swedes did not even know that the rule covered back headers, too.

Certainly fewer defenders have turned, when in no danger, and passed 90 metres back to the "keeper. But they will start to do so again when they realise that if the goal is unmarked he can still trap the ball with his feet, jog out of the area and welly the ball down field.

In tight defensive situations, though, the new rule has transformed play. In the first 20 minutes of their match, Buso and his Italian colleagues pressed the US defenders relentlessly. Sometimes the US played the ball creatively out of defence; more often they panicked and belted it anywhere — usually to the Italians close to goal — or panicked and did not belt it anywhere.

Once they adjust to the new rule, players can worry again whether the stadium is half full — or half empty.

Hatchet blade may have the edge

Keith Wheatley on a new development in rowing technology

S UDDENLY, rowers have become highly design-conscious. All competitors at the Olympic regatta are being scrutinised for the shape of their oar blade. Cleaver or conventional? Six months ago the advent of a new hatchet-shaped blade, developed by an innovative US company, set rowing on its ear.

Believers claim that the larger area of the new blade gives more power per stroke. Against that is increased drag and wind resistance. Around the lake at Banyoles, the mountain resort 150km from Barcelona, little else is being talked about. Mind games abound.

The German eight, current world champions and favourites for the gold medal, changed back to conventional blades a week ago, causing puzzlement among their opponents — possibly intentionally. Rumour has it that research at a German university has found against the hatchets. Most spectators and competitors agree that they are visually unappealing.

"They may look ugly, but close your eyes and they feel fine," said Steve Redgrave, the British rower who is favourite for a third gold medal in the coxless pairs with partner Matthew Pinsent. In the same event his American opponents have tried the new equipment and discarded it.

"My guys were slower with the big blades. There were some gains in the first 500 metres but it was a definite trade-off further down the course. Maybe you get more tired using them," said US coach Bruce Konapka. However, the bulk of the powerful US team will be using the new oars.

The hatchet oar originated with the Dreissigacker brothers, Peter and Dick, in Vermont. Their Concept II company introduced the successful Delta blade eight years ago, the first break from traditional oars in 30 years.

Critics say that Concept II is far more interested in marketing that rowing. Certainly the company knows how to sell. The first commercially available big-blade oars were tested against conventional sweeps in a blizzard last December by the Harvard A and B crews. Despite changeovers, the rowers with the new

Change your oar, change your luck

Typical "hatchet" style blade

Asymmetric blade

Big blade, or hatchet

has been undertaken on big-blade oars has been done at the world-renowned bio-mechanical department of the Australian Institute of Sport in Canberra.

According to Thompson, there is a measurable advantage at sub-maximal stroke rates, fading somewhat as the rowers peak at full power. The effect was more marked with physically stronger rowers.

Against that was an easily perceived difficulty of handling the big blades in higher winds. "In the end it's the motor in the machine, not the colour you paint the box, that is going to make the difference," said Thompson.

There is some evidence that the more experienced rowers are more sceptical. Peritt Karppinen, a Finn single sculler with three gold medals and now attending his fifth Olympics, handed his hatchets back to Zurich equipment manufacturer Stampfli after a short trial.

"He just gave them back and said 'wood is better,'" said company boss Melchior Burgin, himself a former world champion rower.

"Aesthetically it's not appealing," agreed Burgin, "but people said that when we moved from wooden to composite boats. Scientifically, nothing is proved. If the German eight wins with traditional oars it's going to have a lot of people scratching their heads. It caused consternation when they dropped big blades after the Lucerne championships."

Although Burgin is benefiting commercially from what he describes as "everyone rushing to buy new equipment," he is said to see a conservative sport falling overboard.

Australian oar manufacturer Howard Croaker, sharing Burgin's workshop, pointed out that if the stars do well here with the new design, every college kid and high school rower is going to be badgering his dad for new oars.

"A lot of people think that the only ones really benefiting are the manufacturers," said Bruce Konapka.

Croaker, more of a rower than a businessman, agreed with him. "My turnover on oars is already up 400 per cent this year. This has opened a whole new can of sardines."

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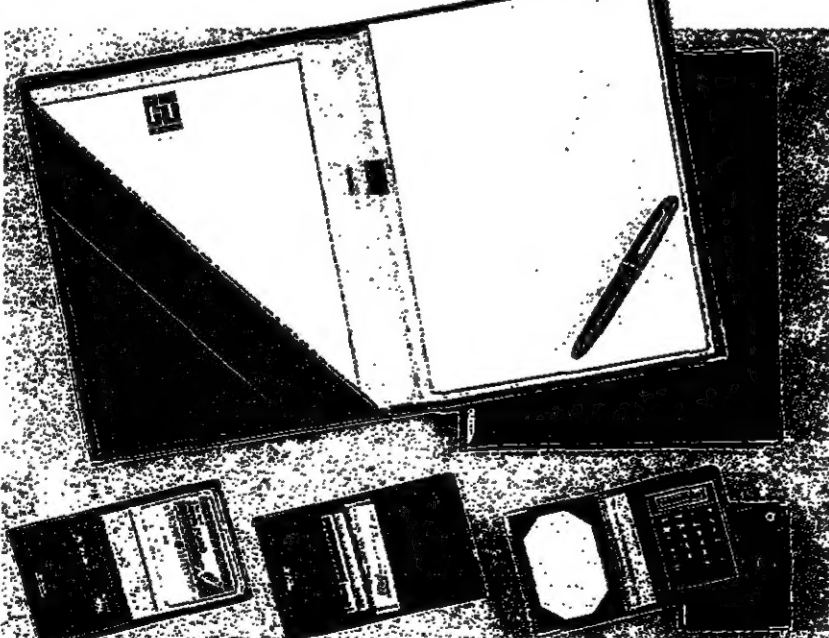
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MANAGEMENT: THE GROWING BUSINESS

Authors keyed up for DIY publishing

Almost anyone can become a publisher of books, magazines, comics or pamphlets - all they need is a desktop publishing system. This computer, which can produce high quality text, graphics and even photographic images, has spawned a host of small presses and publishers.

At the last count there were about 6,000 in the UK, while in the US it has been estimated there will be around 200,000 small presses by the end of the decade.

The small desktop-based presses are attracting discontented authors who have been turned down by the principal publishing houses, and publishers who have either been laid off, or are tired of working for big employers. Bizarre and outrageous books on subjects ranging from corn circle spotting to successful busking in Europe are now being printed and are proving popular with readers who are bored with orthodox literature.

Desktop publishing systems enable many corners in traditional publishing to be cut. Anyone who can use a "mouse" can produce a limitless range of images on the computer screen to create an eye-catching picture for a cover.

With a little capital and the expert advice of the Small Press Group it is possible to set up a desktop-based small press.

A DTP-based press can earn a surprisingly high amount. Five thousand copies of a popular book priced at £10 each will give a return of £50,000. Each book can be produced for as little as £1. Some presses claim they can do it for less.

Most small presses offer their authors 7 to 10 per cent of any royalties, although some offer a much lower percentage. A greater problem arises in getting the books widely distributed and reviewed - economies of scale work in favour of the larger houses. This makes it advisable to stick to specialised subjects.

For further information contact: The Small Press Group, BM Box, London WC1N 3XX. (Tel: 0254-211006).

Thomas Siemen

The best that Emma Bridgewater hopes for when she goes to see a bank manager is that he - and so far in her career it always has been a he - has a wife who reads glossy magazines.

Bridgewater's business is designing, making and selling classy hand-decorated pottery that is much featured in the pages of stylish publications.

Her problem is that the product has, a predominantly feminine appeal, she has found bank managers, meanwhile, are invariably male.

The perception of women starting up their own businesses is that they face more problems than men. Top of the list of complaints is that they are not taken seriously enough by colleagues or business contacts, according to a Barclays report published earlier this year.

Part of this problem may be that women tend to set up very different sorts of businesses than their male counterparts. While almost a third of start-ups are by women, they are concentrated in the service sector, commonly in retailing. Unsurprisingly, women's businesses may often be based on an extension of their traditional roles and existing experience. And, as in Bridgewater's case, the product or service itself may appeal more to women than to men.

When faced with a proposition with which they have difficulty in identifying, bank managers display an astonishing lack of curiosity, according to Bridgewater. "I've found them extremely unwilling to try and discover anything about the business. Even to step across the road to see what we make seems too much effort. They have only been interested in profit and security. This seems to me desperately stupid

Diane Summers explains why women entrepreneurs have to try much harder to succeed

Bank managers' eyes glaze over

and short-sighted," she says.

From the banks' point of view, Bridgewater's experience would suggest missed opportunities. As Baroness Danton, small firms minister, points out, somewhere out there "the bank manager who first turned down Anita Roddick must lie awake at night".

Clearly, a solution would be more female bank managers, although Bridgewater is not attracted to the US notion of banks specifically for women. One piece of progress would be to abolish the "big man" any desk carry-on designed to intimidate, as she calls the interview with the bank manager. Banks need to evolve a different way of assessing business projects brought to them by women, perhaps by using mixed-sex panels, she argues.

"Instead of a nasty grilling session that's more like a viva, I'd prefer to have a discussion, preferably with a group of people. The confrontational approach is very alien to a lot of women," says Bridgewater.

Fortunately she had already made a start in her business before her own viva came up. With no formal training and barely covering her costs, she started to buy pottery,

Problems experienced by women setting up in business

Not being taken seriously by colleagues/business contacts	45%
The additional burden of family responsibilities	40%
Sex discrimination by suppliers/customers	28%
Pressure to stay at home and support their partner	16%
Sex discrimination by institutions/government	14%
High cost of crèche/nannies/nursery facilities	9%

Source: Barclays

decorating, glazing and firing it herself. She claims her bank woke up to the fact she was in business "when my cheques stopped being made out to Florucci and Threshers and started to be to suppliers in Stoke".

Now aged 31, Bridgewater is the eponymous chairman of the will have no truck with what she considers feminist-speak of a company with a turnover of £1.35m. Between a shop in London's Fulham Road and a factory in Stoke-on-Trent the business employs about 35 people and has

made the transition from a "girlie-craffie profile to market leader in 'casual dining', as china buyers call it. And I feel I've barely started yet," she says.

Top of the list of problems faced by women in small businesses may be not being taken seriously; close behind, however, are the double pressures that particularly affect women of combining a business start-up and sustaining family life and domestic responsibilities.

Bridgewater's workroom behind the shop is a pleasant confusion of children, sofas and dogs. Husband Matthew Rice, painter and a joint managing director of the company, will some days cook them all lunch there; other days she will go the few yards back to their house. There have been times when she has been able to get away with putting very few hours into work; at present she is on a run of 10-hour days.

In case it all sounds too much like some neo arts and crafts movement idyll, Bridgewater describes the diverse pulls on her time and attention as "horrendous".

Running a business "suits single people", she says. "I spent my twenties creating a vehicle for my



Emma Bridgewater: sustaining family life is one of the pressures

strengths; I've spent the four-and-a-half years since we married trying to work out how to accommodate the business alongside marriage and children. Those 'you can have it all' types, who make it look so

Problems pile up for ageing owners

David Waller investigates the difficulties facing Mittelstand companies

cut back their capital investment and a third expect a decline in profit.

Nearly half the managers polled were more than 50 years old and 13 per cent were older than 60. In addition more than half had been running the business for more than 10 years. The chief long-term worry of more than 90 per cent of the total poll is management succession.

More than half of those polled do not have a stake in the business, indicating that the owners have already moved on from day-to-day management.

The survey does not attempt to look at some of the more fundamental reasons for the Mittelstand's troubles, which reflect, inter alia, increased competition in certain sectors because of the single European market programme (for example, in the transport sector) and the difficulties being experienced by motor components manufacturers, many of which are coming under intense pressure as car manufacturers strive to reduce their costs.

But from the venture capital industry's point of view, the results of the survey are encouraging. The survey identifies a pool of experienced managers who put a greater

value on independence than on job security and money.

Surprisingly, given the conservatism of Germany in financial matters, many of these managers are prepared to consider participating in a management buy-out of the company at which they work - or even in a buy-in, buying another company with the help of a financial institution such as 3i.

On the other side of the equation, owner-managers are increasingly prepared to consider selling to management.

As Thomas Schlyter-Henrichsen, joint head of 3i's Frankfurt office, puts it: "The managers have

achieved everything they want to achieve as managers and want to become owners. The owners are prepared to sell to them." There is, though, a "communications deficit", because the managers do not realise that the owners may be prepared to sell. Hence a role for 3i in putting the two parties together and financing the transaction.

It is not just 3i which is eager to participate in this potentially enormous market: the German banks have their own venture capital subsidiaries and increasing numbers of overseas venture capital houses are setting up in Germany.

The trouble is that - in spite of the satisfactory results of the poll - it is a very slow process persuading the owner of a Mittelstand company to sell to anyone, let alone his management. 3i has been in Frankfurt since the middle of 1986 and has done only 23 deals in that time - fewer than five a year.

In the meantime, the survey has picked out a new breed of German manager: the relative youngster whose background is in finance rather than in production and engineering.

Those rich inheritors who decided to work rather than going shopping are showing signs of not wanting to get their hands dirty. Copies of the report, *Der Mittelstand und die Nachfolgeproblematik*, can be obtained from 3i Gesellschaft für Industrieteilhaberschaften, Bockenheimer Landstrasse 55, 6000 Frankfurt 1, Germany. Tel Frankfurt (069) 710000-0.

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BAYTREE INVESTORS - an international Acquisitions Firm is seeking to buy Companies with turnover of \$10,000,000 plus in Trucking, Manufacturing, Mechanical Contracting, Financial Services. Principals or their advisers, please contact: JOHN FITZGERALD B.L., BAYTREE INVESTORS, 6 Sullivan's Quay, Cork, Ireland. Tel: 353 21 963877. Fax: 353 21 310273.

TITLES WANTED. Magazine Publishers are looking to acquire consumer titles or small publishing company. Please write to Box No A4230, Financial Times, One Southwark Bridge, London SE1 9HL.

POWER SUPPLY MANUFACTURER. keen to expand by acquisition up to £5 million t/o. Suitable proprietor looking to retire. Please write to Box No A4231, Financial Times, One Southwark Bridge, London SE1 9HL. Principals only.

WANTED - Companies producing product for the tourist and gift markets. Must be strong on manufacturing, located in the U.K. and with turnover up to £1m. Please write to Box A4234, Financial Times, One Southwark Bridge, London SE1 9HL.

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BUSINESS WANTED

UTILITIES CONTRACTOR

M P Burke plc a National Utility Contracting organisation and a subsidiary of a substantial listed group, wishes to acquire other complementary businesses, including specialists in trenchless technology, with a view to maximising any synergy that would exist between the respective organisations.

Respondents should be able to demonstrate a proven record of service to Water, Gas, Electricity, Telecommunications or Cable Television clients. Minimum turnover £5 million with no upper limits. Preferably but not necessarily profitable. However, a complete and proven management team is essential.

Please reply to: M P Burke Esq, M P Burke plc, 78 Park Street, Wombwell, Barnsley S73 0HH. Tel: 0226 759521.

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BUSINESSES FOR SALE

Touche
Ross**Kings Parking Limited**
(In Administrative Receivership)

The Joint Administrative Receivers, N. G. Atkinson and R. W. Wilson, offer for sale the business and assets of this car parking operator.

Features include:

English Operations

- 24 managed car parks.
- Car parking operations linked to public transport and hospitals.
- Specialist experience in Pay & Display Systems.

Scottish Operations

- 2 managed car parks.
- Prime freehold multi-storey car park.
- Other commercial developments.

For further details contact either Nigel Atkinson or Malcolm Weir at the address below.

PO Box 810, Friary Court, 65 Crutched Friars, London EC3N 2NP.

Tel: 071 936 3000. Fax: 071 480 6881.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

Touche
Ross**West Industries plc**
(In Administrative Receivership)

The Joint Administrative Receivers, John Wilson and Nicholas Dargan, offer for sale the company's interest in the following:

- A Humberdale specialist fabricator and installer of pipework and steel structures.
- A West Country manufacturer and distributor of specialist marine equipment.

For further information please contact John Wilson, the Joint Administrative Receiver, or Ian Stanton at the address below.

1 Woodborough Road, Nottingham NG1 3FG.

Tel: 0602 500511. Fax: 0602 590979.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

CAST IRON AND WOODEN FURNITURE MANUFACTURER**Broxap & Corby Ltd**
Broxap Services Ltd

The Joint Administrative Receivers, Mark Pallas and Michael Horrocks, offer for sale the businesses and assets of this designer, manufacturer and supplier of cast iron and wooden street furniture.

Principal features of the businesses include:

- turnover c. \$4 million per annum
- customer base consisting of local authorities, county councils and contractors
- extensive range of designs, products and moulds
- freehold properties of offices and showroom at Radcliffe, Manchester
- leasehold premises of warehouses and factory at Prestwich, Manchester.

For further information, please contact the Joint Administrative Receiver, Mark Pallas (quoting ref. RW) at Cork Gully, Abacus Court, 8 Minshull Street, Manchester M1 3ED. Telephone: 061 238 9200. Fax: 061 228 3920.

Cork Gully is authorised in the name of Cooper & Lybourn by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

Cork Gully

INVITATION

For the submission of Declarations of Interest for the separate Purchase of the production units and other assets of "HELLENIC CHEMICAL PRODUCTS & FERTILIZERS COMPANY S.A." of Athens, Greece

This is a second invitation to all interested parties for the submission of non-binding written Declarations of Interest for the purchase of one or more of the production units and other assets of "HELLENIC CHEMICAL PRODUCTS & FERTILIZERS COMPANY S.A.", of Athens, Greece, presently being under liquidation.

Production units and other assets offered for sale (by way of public bids) include the following (all being located in Greece):

1. MANUFACTURING - DRAPETSONA INDUSTRIAL COMPLEX (for fertilizers, acids, agricultural chemicals and sheet glass).
2. MINES
3. QUARRIES
4. REAL ESTATE
5. PORTFOLIO OF STOCKS IN GREEK COMPANY

Declarations of Interest should be submitted not later than 14 August 1992 (i.e. within 30 days from the first publication of this notice in the Financial Times, which took place on the 25th July 1992) to the Liquidator of the Company: "ETHNIKI KEFALOU S.A. Administration of Assets and Liabilities", of 1, Skoulouliou Str., 105 61 Athens, Greece. Tel no: +30-1-323.14.84, fax: +30-1-321.79.05, telex: 216867 KEF GR.

Also, as regards, in particular, the purchase of the MINES (in Chalkidiki), declarations of interest may be submitted to and further information may be obtained from the Liquidator's special advisor CITIBANK NA, Athens Branch, 8 Othonos St., Athens 105 57, tel. +30-1-324.86.56, fax +30-1-324.32.77 (Attn: Mr. Vassilis Tsilibaris, Vice President).

For further information please refer to the first publication of this notice in the Financial Times, as mentioned hereinabove and/or to the Liquidator of the Company (attn: Mr Peter P. Dimopoulos) from 10.00 to 12.00

The Liquidator

ETHNIKI KEFALOU S.A.
Administration of Assets and Liabilities

FOR SALE GROWTH BUSINESS

Well established Tree Nursery supplying broadleaved and coniferous trees for environmental improvement and forestry.

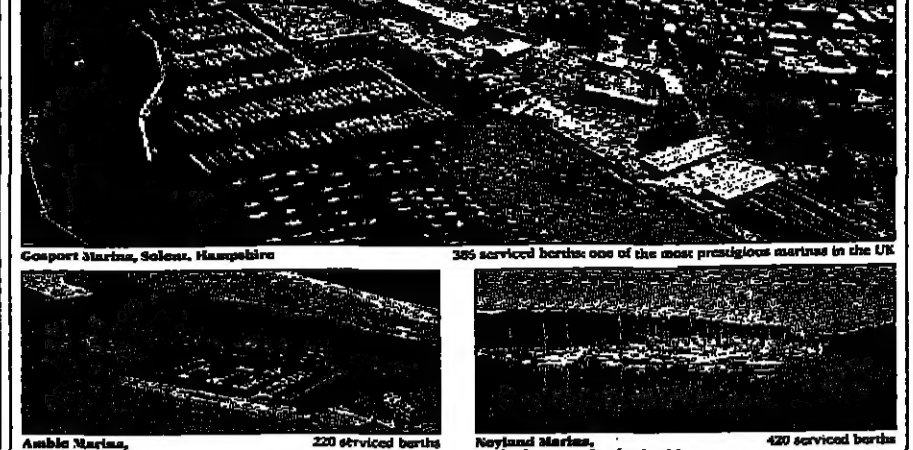
- Established customer base UK and abroad
- Turnover circa £1.5m
- Extensive facilities and equipment
- 260 acres freehold plus 120 leasehold
- Experienced management and staff

Please write to Box A4221, Financial Times, One Southwark Bridge, London SE1 9HL.

Norwegian Oil Related Service Company
Annual Turnover in excess of £20 million and highly profitable. The Company is cash positive/cash generative. Good long term contracts with Norwegian Oil Companies. Excellent management with proven track record. UK Parent. For further details please reply to Box No. A4241, Financial Times, One Southwark Bridge, London SE1 9HL.

Humberts LEISURE

On the instructions of Great Nicholson Plc and Camper & Nicholson's Marinas Ltd

Three superb and profitable marina businesses

All the marinas have the benefit of excellent on-shore facilities

For sale as a whole or in individual lots

Substantial offers are invited for this exceptional opportunity

For further information please contact Humberts Leisure and quote ref. NTF/ATE/UGM

CAMPER & NICHOLSON'S MARINAS

071-629 6700

CHARTERED SURVEYORS AND ESTATE AGENTS
25 GROSVENOR STREET, LONDON W1N 9LE. FACSIMILE 071-609 0177

BNC Tipton Limited

The Joint Administrative Receivers offer for sale the business and assets of the above company.

The business, based in the West Midlands, comprises the manufacture of hot forged nuts and bolts and upset forge specials.

Principal features include:

- Freehold property.
- Plant and machinery.
- Trading Stock.
- Turnover in the region of £1.1m.
- Order book in the region of £125,000.
- Fully approved BS 5750.
- Diverse customers from a wide range of industries.

For further information contact the Joint Administrative Receiver, Ann Davies, KPMG Peat Marwick, 2 Cornwall Street, Birmingham B3 2DL. Tel: 021 233 1666. Fax: 021 233 4390.

KPMG Corporate Recovery

CONERRIGAL TEORANTA

(In voluntary liquidation)

Workwear Apparel Manufacturing Facility for Sale

Offers invited for Workwear Apparel Manufacturing Facility which is for sale as a single production unit. The plant is located in Falcarragh, Co. Donegal, Ireland and has access to a highly skilled workforce which is available locally. For further particulars apply to: Mr. Martin Coggins, A.C.A., Liquidator, East & Company, 62-65 John Street, Sligo, Ireland. Tel: 010 353 71 42736

FOR SALE

TECHNICAL CERAMICS

Group wishes to dispose of a division of its company which is now non-core to its future development.

The Division has sales of over £300,000 with Gross Margins in excess of 50%. It specialises in providing solutions to problems where machineable ceramics offer unique benefits and sells to Research Labs, Universities, Medical, Electrical and High Vacuum Industries. The company enjoys a high reputation for quality and service and would be ideal for someone wishing to secure a niche market, or make a useful addition to its product range.

For full details please reply in confidence to the Managing Director, Box No. A4216, Financial Times, One Southwark Bridge, London SE1 9HL.

BUSINESSES FOR SALE

- K9005 Injection Moulding Company with own product range.
- K1002 N.W. Main Car Dealer with good profits.
- K5002 N.E. Based Transport Operator with warehousing facilities.
- K1006 Small Petroleum Retail and Supply Company with a number of outlets.
- K1007 Security/Safety Products Company in North West.
- K1009 Mechanical Engineering Consultancy & Design Services involved in the Food Industry with good Blue Chip Customer Base.

Also have land, sites etc., available in all areas including blocks of flats in Blackpool. Please contact: Stephanie Lane, KCR International Ltd., Hardicker House, Hardicker Street, Manchester M15 2R3. Tel: 061 443 1357 or Fax 061 443 1353

HOLIDAY PARK IN WEST COUNTRY

Outstanding award winning Holiday Park in North Cornwall Site 8 1/2 acres with further 20 acres of land belonging to Park. Licensed for 60 letting units and 30 tourists/campers. Facilities include swimming pool, tennis court, skittle alley, 2 boules courts, Old Coach House Bar, 18 hole golf course right next to site. Sale includes 16 room Georgian house, together with large Annex - Freehold - £555,000

Write Box A4007 Financial Times One Southwark Bridge London SE1 9HL

BUSINESS FOR SALE

INDUSTRIAL BOILERS

The owner directs of this small well established business not having family succession, with a plan in advance of retirement by way of a disposal of the business which would allow their continuing management involvement for an agreed period of time.

Principle activity is in new and used industrial packaged boilers and associated equipment with workshops and sales offices in the North of England. Turnover circa £1.52 million includes substantial export in addition to U.K. business.

For further information please write to Box A4213, Financial Times, One Southwark Bridge, London SE1 9HL.

USM

Control of clean empty company for sale: £350,000

Write to Box A4240, Financial Times, One Southwark Bridge, London SE1 9HL.

Surgical Instrument

manufacturing company for sale in South East England. Freehold premises, modern CNC equipment. Without staff, sale of sub contract and own products, good home & overseas customer base T.O. approx £500K. Owner wishes to retire. For more information write to Box A4219, Financial Times, One Southwark Bridge, London SE1 9HL.

MATRIX
CHURCHILL**Matrix Churchill Limited**

Machine Tool Manufacturer

The business and assets of this company are for sale as a result of receivership.

- Leading machine tool supplier based in Birmingham and Coventry.
- Product range - CNC lathes and grinders.
- New Omega range of lathes compliments existing product range.
- Annual turnover running at circa £12m.
- Significant order book - in excess of £2m.
- Separate gear hob manufacturing business also distributing spares for Matrix, Churchill and Alfred Herbert.
- 180 employees.

Enquiries to the Joint Administrative Receiver: SRE Hancock FCA, Price Waterhouse, Cornwall Court, 18 Cornwall Street, Birmingham B3 2DT. Tel: 021-200 3000. Fax: 021-200 2484.

Price Waterhouse

On the instructions of the Joint Administrative Receivers

"Three Renowned London Restaurants"

DAPHNE'S, Draycott Avenue, SW3
80 covers, average takings £12,000 p.w. net. Combined lease and freehold.

MAGGIE JONES'S, Kensington, Church Street, W8
80 covers, average takings £11,800 p.w. net. Leasehold.

LA POULE AU POT, Ebury Street, SW1
50 covers, average takings £11,500 p.w. net. Leasehold.

All units are offered as going concerns, provide a full range of equipment and are in good order throughout. Offers are invited for the individual or collective leasehold/freehold interests to include fixtures, fittings and goodwill, plus stock at valuation.

CHRISTIE & CO

For further information please contact either: ANDREW WHITEFORD or DAVID NEWMAN on 071 486 4231.

EII

By order of Brian Mills FIPA, FICM, MSPi and Malcolm Ellis Cork MIPA, FICM, MSPi The Joint Administrative Receivers of:

THE DECORA GROUP OF COMPANIES

FOR SALE AS A GOING CONCERN

Conservatory, Window and Door Systems Business

- * 16 Employees
- * £1.94m Turnover 1991
- * On-going Contracts
- * Domestic and Commercial Work
- * Freehold Building Outskirts Bristol (17,500 sq ft)
- * Two Leasehold Properties
- * Established 1975

For further details contact: The Joint Administrative Receivers at:

BOOTH WHITE

1/2 Little King Street

Bristol BS1 4HW

Tel: 0272 225522

Fax: 0272 257120

Ref: CAP/DG

or their Agents:

Edward Symmons & Partners, Harford House, Frogmore Street, Bristol BS1 5LZ. Tel: 0272 273454. Fax: 0272 272006. Ref: CP/DG

FOR SALE

Prestige Thames Riverbus Operation
Skilled Workforce of 70 Employees, of whom 54 are Watermen

Turnover £2.2m p.a.

Write to Box A4228, Financial Times, One Southwark Bridge, London SE1 9HL.

QUALITY ARCHITECTURAL JOINERY MANUFACTURER

(£55750 pending). Consistent profit record Turnover around £300K (potential £500K+) Attractive South Coast location. Owner retiring Write to: HCP Services 118 Pauntley Rd. Christchurch, Dorset BH23 3JL.

The Path to Managing a Buy-Out

For further information please contact: Alan Broadbent
BPG Corporate Finance Limited
84 Grosvenor Street London W1K 9DF
Telephone: 071-491-2253
Fax: 071-425-4444

CABLE TV

Profitable contractor to Cable TV industry. Big growth potential.

Offers invited.

Write Box No A4227, Financial Times, One Southwark Bridge, London SE1 9HL.

White Box No A4227, Financial Times, One Southwark Bridge, London SE1 9HL.

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Roofing Company Based in East

London. Specialising in Lead, Copper, Zinc & Slating

Turnover To June 90 - £1.4m net VAT.

Turnover To June 91 - £1.25m net VAT.

Turnover To June 92 - £1m net VAT.

Good Order Book. Mainly Blue Chip Companies and Local Authority.

Freehold Yard. Offices. Warehouse.

Offers on £375,000. Apply in writing to: 14, New Winstead, Winstead, London E11 2SN

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THE WEEK IN LUXEMBOURG

Court ruling vindicates role of the European Parliament



In a case of fundamental importance for the institutional balance of power in the European Community, the European Court of Justice has overturned a 1989 regulation of the European Council of Ministers on road transport cabotage.

The European Court annulled the regulation because the Council had infringed essential procedural requirements laid down by the Rome Treaty's transport rules. The Court ruled that the Council had failed to consult the European Parliament a second time, as required by the legislative procedure, when the initial proposal was substantially modified by the European Commission.

The modified proposal adopted by the Council provides for even less liberalisation of road haulage operations within member countries than the text criticised by the Parliament when it was originally consulted.

However, the Court said that the 1989 regulation, which expires at the end of 1992, should remain in force until a new regulation is adopted after proper consultation.

This is a landmark decision in the growth of business influ-

ence over EC legislation through the European Parliament.

First, the decision is a test case giving guidance as to when the Parliament may insist on second consultation. Second, the Parliament, as in the present case, may insist that the Council consults it again when the proposal initially considered has been substantially modified.

Third, any further consultation will enable the Parliament to insist on its opinion influencing the legislative process, as it retains its existing powers to postpone giving an opinion. However, a potential limitation of the judgment's impact on future legislation lies in the Court's application of its powers to declare that a void regulation remains in force.

Case C-26/92 *European Parliament v Council*, ECJ FC, July 16.

Use of evidence in competition proceedings restricted

In a reassuring judgment for business and professional advisers, the European Court held that national competition authorities may not use as evidence in their own investigations information given to the EC Commission in the course of EC competition procedures.

The Court said the use of such evidence would infringe EC rules guaranteeing confidentiality of business secrets, the restricted use of information obtained for specific investigative purposes and the rights of defence.

The case concerned the investigation by Spanish competition authorities of certain business practices of Spanish banks. The banks had also notified their arrangements to the EC Commission for clearance or exemption under the EC competition rules. Notification provides immunity from fines for any prior infringements.

The banks had also provided information to the Commission in response to formal requests. Member countries are given copies by the Commission of all important documents provided in the course of notification, information requests or inspection visits to the business premises concerned.

The Court's decision, which is also likely to be relevant in the context of mergers, may complicate competition law enforcement by member countries. However, it does not prevent the national authorities commencing their own investigation, as a result of the knowledge gained from evidence given to the Commission, and obtaining their own evidence of possible infringements.

A similar approach has been taken by the Court to the Commission's use of information obtained in one proceeding as evidence in another proceeding involving the same parties.

Case C-67/91 *Dirección General de Defensa de la Competencia v Asociación Española de Banca Privada (AEB) and others*, ECJ FC, July 16 1992.

European Court lays down the law to national judges.

In two cases decided on the same day, the judges of the European Court rejected EC law questions referred for their interpretation by national courts.

The first, from Germany, concerned eight questions on the second company law directive on the structure and capital of companies. The Court declared the questions outside its competence since they were hypothetical with no real connection to any dispute.

Neither party to the national proceedings disputed that the relevant German company law provisions were in conflict with the second directive. The only issue was whether the plaintiff's argument that those German provisions applied was correct.

Case C-83/91 *Wienand Meilcke v ADVORGA F A Meyer AG*, ECJ FC, 16 July 1992.

The second case, from Portugal, concerned eight questions intended to clarify whether Portuguese taxes imposed on imported and locally-made cars amounted to discriminatory internal taxation prohibited by the Rome Treaty.

The fifth chamber of the Court declared all but two questions outside its competence for lack of any relationship between the questions and the national proceedings.

However, the Court did rule that when one national provision is caught by the Rome Treaty's prohibition of discriminatory tax, other provisions in the same law are not necessarily prohibited, if they are unrelated.

Case C-343/90 *Dias v Director da Alfândega do Porto*, ECJ SCH, July 16 1992.

BRICK COURT CHAMBERS, BRUSSELS

SWEDEN

The FT proposes to publish this survey on November 10 1992.

Should you be interested in acquiring more information about this survey or how to advertise, please contact:

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Kirsty Saunders

Tel: 071-873 4823

Fax: 071-873 3428

In Sweden:

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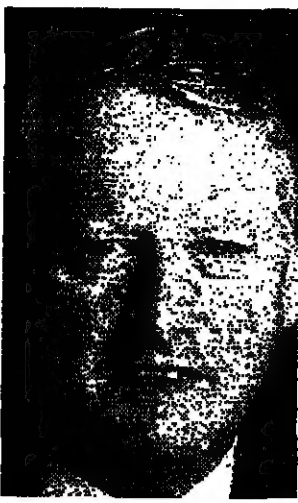
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PEOPLE

Saxon Riley fills the gap left by Rowland



Sedgwick Group, one of the world's largest insurance brokers, has moved quickly to fill the void created by David Rowland's decision to take on the chairmanship of Lloyd's. Saxon Riley, 53, the group managing director, has taken over as chief executive; a new chairman will be appointed by the end of the year.

The elevation of Lancasterian Sax Riley is not a surprise. Since joining the firm in 1964 from Schofield's, a Manchester insurance broker, he has moved steadily up the organisation. The first signal that he was the heir apparent came in January when he was promoted to his current job and given responsibility for the

group's insurance, reinsurance broking and risk services.

However, Rowland's departure is still a blow for Sedgwick. He was brought in as chief executive in 1988 from rival Willis Faber, following mounting concern about Sedgwick's poor results. It was the first time that the company had gone outside for a new chief and Rowland, 59, is credited with knocking into shape a broker which had grown rapidly through acquisition.

A year after he arrived, Rowland also added the role of chairman; he replaced Carel Mosselmann who had headed the group for five years. Until yesterday's news it had been expected that Rowland would

stay till 1995. Sedgwick has chosen to use the occasion of his departure to split the role of chairman and chief executive. A number of well known city figures on the board who might fill the spot include Sir Michael Richardson, chairman of Smith New Court, and Rupert Hambro, chairman of J O Hambro Magn.

Meanwhile, Sedgwick also announced yesterday that Rob White-Cooper, 49, had been appointed a vice-chairman. He is chairman of the operations group responsible for co-ordinating the worldwide activities of Sedgwick James and is responsible for the European, overseas and Asia Pacific regions of that company.

Non-executive directors



■ Sir David Hancock (above left), former permanent secretary at the department of education and science and now an executive director of Hambros Bank, at EQUITY & LAW.

■ Nigel Cole (above right), a director of Marks and Spencer and a non-executive member of the social security management board of the department of social security, at HALIFAX BUILDING

SOCIETY; he transfers from the society's London advisory board.

■ Edward Roberts, chairman of Heath Springs, European president of Peterson America Corp and chairman of the West Midlands Region of the CBI, as chairman at BONHAM MARKETING AND COMMUNICATIONS GROUP.

■ Stuart Graham has retired from ALLIED-LYONS.

■ Howard Poulson, group chief executive of Volex, at VINTEN GROUP. Bill Vinten is to retire.

■ David Webster, deputy chairman of Argyll, at REED INTERNATIONAL; Sir Colin Barker is retiring.

■ Roger Peck, treasurer of British Steel, at IRON TRADES EMPLOYERS INSURANCE ASSOCIATION and IRON TRADES INSURANCE Co Ltd.

SIB terms of office extended

Ralph Quarano, a director of Clerical Medical & General Life Assurance Society, and Lord Runciman, chairman of Andrew Weir and Co and of Runciman Investments, have been re-appointed deputy chairmen of the SECURITIES AND INVESTMENTS BOARD, for a period of one and two years, respectively.

Other members of the board have also been re-appointed from July 31: John Gardiner, for three years, Norman Lessels for two years, and Brian Williamson for one year.

Meanwhile, Dame Rachel Waterhouse and Denis Child will retire on completion of their terms of office on July 31 1992.

Goldring ventures into consultancy

It's rare to find an optimistic fund manager these days but 42-year-old Howard Goldring seems to fit the bill. He has chucked in his job as director of global strategy at Allied Dunbar Asset Management and set up his own consultancy, Alberon Associates.

"I felt the recovery was coming and wanted to be in place when it came," says Goldring, who has been a fund manager for 12 years. He will continue to work as a consultant for Allied Dunbar and write a monthly newsletter on global investment strategy. But he is keen to get more heavily involved in business - he was

a non-executive director of Ernest Jones before it was taken over by Ratners - and work on some venture capital projects.

He has been appointed a non-executive director of Michael Heller's London & Associated Investment Trust. Despite its name, London & Associated is not an investment trust but a property company specialising in investing in shopping centres and parades.

It is one of three public companies, chaired by the 56-year-old Heller, who made his first fortune when he sold the family's KP Foods business to United Biscuits. His other

vehicles are Bischi Mining, a speculative mining stock, and Electronic Data Processing, a highly-rated computer software company.

Goldring, who says that he has known Heller for some years, owns 300,000 shares in London & Associated, which gives him the biggest shareholding of any director save the chairman. The Heller family owns 40.4m shares, or 58.5 per cent of the equity.

Allied Dunbar, which manages 290b of funds, says that Malcolm Baker, who looks after European investments, will assume Goldring's responsibilities.

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London, 5 October - 23 November

This course is designed for employees in companies with interests in the City to provide a broader understanding of all aspects of the operations of the City of London and the factors that make it a pre-eminent financial and trading centre.

WORLD MOBILE COMMUNICATIONS

London, 12 & 13 October

The Financial Times fifth annual conference on mobile communications will look at growth prospects in world markets and the development of new services. The outlook for PCNs, pan-European mobile networks, paging systems and satellite communications will be reviewed as well as numbering from a mobile perspective. Speakers include: Mr Terry Parker of GTE Telecommunications Products and Services; Mr Richard Siemens of Hutchison Telecommunications; Mr J Shelby Bryan of Millicom Incorporated; Mr James Brewington of AT&T Network Systems; Mr Richard Goswell of Mercury Personal Communications; Mr C Stafford Taylor of Cellnet and Mr Hubert Suckfüll of Siemens AG.

MANAGING FINANCIAL RISKS

London, 12 & 13 October

The workshop is an intensive, practical course aimed at those who wish to understand the principles and practices of financial risk management. It combines comprehensive technical reference material with an interactive format, case studies and worked examples.

DOING BUSINESS WITH RUSSIA

Moscow, 11 & 12 November

A practical, high-level forum to address the investment opportunities and how to set about them in the new Russia. The new structures that are emerging, and the basic business problems of structuring deals as well as the legal, tax and financial issues will be reviewed. Speakers include: Mr Anatoly Chubais, Vice Premier/Chairman of the State Committee for the Management of State Property of the Russian Federation; Mr Sergei Konichev, Chairman of the Organisational Committee for the Creation of a Development and Project Finance Bank, Central Bank of Russia; Mr Mikhail Khodorkovsky, MENATEP Financial Group; Mr Gil Labbé, Anglo Suisse LP and Mr Ralph Land, Rolfs-Royce plc.

FINANCIAL REPORTING IN THE UK

London, 26 November

This one-day conference will review the Accounting Standards Board's progress and proposals for the treatment of capital instruments, profit and loss accounts, the operating review, off-balance sheet instruments and intangibles. Speakers include: Mr Andrew Lennard and Mr Allan Cook from the Accounting Standards Board; Mr P Raymond Hinton of Arthur Andersen; and Mr Graham Stacy of Price Waterhouse.

All enquiries should be addressed to: Financial Times Conference Organisation, 126 Jermyn Street, London SW1Y 4UJ. Tel: 071-925 2323 (24-hour answering service), Telex: 27347 FTCONF G, Fax: 071-925 2125

There is a limited amount of exhibition space available at the conference

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WORLD MOBILE COMMUNICATIONS

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Mr Richard J Siemens
Hutchison Telecommunications Limited

Mr Malcolm H Ross
Arthur D Little International, Inc

Mr J Shelby Bryan
Millicom Incorporated

Mr James K Brewington
AT&T Network Systems

Mr Richard Goswell
Mercury Personal Communications

Mr C Stafford Taylor
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Mr Bernard Ghillebaert
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LEGAL NOTICES

In The High Court of Justice No. 005881 of 1992

Chancery Division

In The Matter Of

LAURA ASHLEY LIMITED

And In The Matter Of

The Companies Act 1985

NOTICE IS HEREBY GIVEN that on Order of the High Court of Justice, Chancery Division, dated the 13th day of July 1992, confirming the reduction of the capital from £5,040,250 to £15,337,250 and the consolidation of the Share Premium Account of the above named Company and the Minutes approved by the Court showing with respect to the capital of the Company as altered the several particulars required by the above mentioned Act were registered by the Registrar of Companies on the 14th day of July 1992.

Dated this 27th day of July 1992

Clifford Chance, Royal House, Aldersbury Square, London EC2V 7LD

Ref: KO

Solicitors for the above named Company

THE INSOLVENCY ACT 1985

Re: E.M. SEARS & CO. LIMITED

NOTICE IS HEREBY GIVEN, pursuant to Section 86 of the Insolvency Act 1985, that a Meeting of the Creditors of the above-named Company will be held at The Court Hotel, London, EC4M 3DF, on Tuesday 11th August 1992 at 11.00 am for the purpose mentioned in Sections 100 and 101 of the Act of the said Act. Peter A. Lawrence, Licensed Insolvency Practitioner of Room 110, 4 Ropewalk House, Aldersbury Square, London, EC2V 7LD, will attend the Meeting, free of charge, with such information concerning the Company's affairs as they may reasonably require.

Dated this 20th day of July 1992.

By Order of the Court.

P. JAMES, Director.

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TECHNOLOGY

The flat farmland of Indiana, in the heart of the American mid-west, may seem an unlikely starting point for a fundamental technological innovation in the way steel is made.

Yet it is in precisely these bucolic surroundings that Nucor, the largest of the American "mini-mill" steel manufacturers, has been pioneering a new process for making sheet steel which promises to shake up the world industry during the coming decade.

So fascinated is the industry by Nucor's success that fact-finding missions from dozens of countries have visited the company's plant at Crawfordsville, some 60 miles west of Indianapolis, in the past two years. This summer the numbers have grown so great that the plant has started restricting tours, lest they interfere with production.

Flat rolled or sheet steel is one of the industry's most important and valuable products, with applications as varied as making pipes for the oil industry, water tanks, washing machines and the interior and exterior body work of cars.

Traditionally, it has been made by manufacturing methods which require immense capital investment. That is why the sheet market was in the past the exclusive preserve of Big Steel - America's large, integrated steel manufacturers - rather than the smaller "mini-mills" which have sprung up over three decades to exploit market niches.

In a traditional plant, sheet is made by pouring liquid steel into a mould, shaping it into red hot slabs between 8 and 12 inches thick and 30 to 40 feet long. Those slabs are then allowed to cool and are transported to another shop where they are heated up again to about 2,350 degrees F.

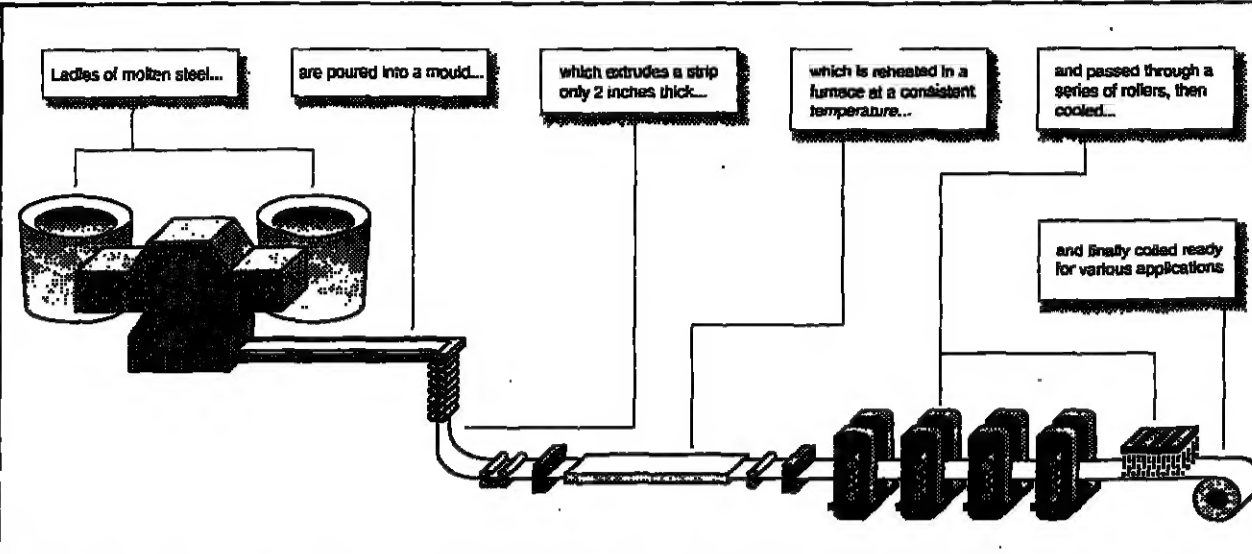
They are then flattened into thin bands by passing them through a series of rollers. The end product is known as hot-rolled sheet, and it has to be rolled again (this time cold) before it is ready for many applications.

Industry technicians had long dreamed of finding a more efficient way of producing sheet steel. In the mid-1960s, a West German company, SMS Schloemann-Siemag, thought it

A low-cost, energy-efficient way of making sheet steel is taking the industry by surprise, writes Martin Dickson

Ideas from Indiana recast face of steel

The thin-slab method of casting steel



had finally found the answer. Nucor decided to take a huge gamble and become the first steel company in the world to use the SMS technology.

Critics in Big Steel immediately derided the project, saying that Nucor would never build its proposed greenfield plant at Crawfordsville within the company's modest \$270m budget and that the output of the plant would not pose any competitive threat. They were wrong on both counts.

The SMS Schloemann-Siemag process involves making sheet steel in a single production run. The steel emerges from the caster only two inches thick and some 150 long, thanks to the innovation at the heart of the SMS technique - a new design of funnel mould which is shaped like a convex lens.

The resulting thin slab is then passed on rollers through a furnace which makes the

temperature across its width consistent. It then goes straight through rolling mills, finally emerging as finished coils of hot-rolled sheet.

That, at any rate, was the theory. Until Nucor built its plant, no one knew how the

very easily correctable," says Keith Busse, who heads the Crawfordsville plant.

Whereas the SMS process is mechanically simpler than traditional technology, it also has much tighter process control parameters. For example, it

cracks on the surface of the slab, due to non-uniform cooling of the steel, which was caused by a combination of seven or eight factors.

One factor was unevenness in the thin layer of film formed on top of a slab by powder used as a lubricating agent inside the casting mould. The plant is still experimenting with powders.

The second problem was blemishes, caused partly by premature use of the lubricating powder.

Busse says both problems have now been largely solved, with each now affecting about 1 per cent of output. A somewhat larger issue remains that of a "tight, thin gummy scale" that forms on 2-4 per cent of production.

The plant will be experimenting this autumn with a new kind of descaling process. "We believe it will give us a surface cleanliness vastly super-

ior to that of the industry," says Busse.

When production started, some 35 to 40 per cent of Nucor's output was flawed. Busse says that today the hot-rolled mill has a rejection rate of 4-6 per cent. That is approaching, but still above, the industry norm.

He points out that Nucor steel does not suffer from the internal and transverse cracks found in traditional steel plants, and adds: "I think we're going to find that this technology ultimately yields a superior product (compared with traditional methods) in terms of ductility and mechanical performance."

For the moment, Nucor's steel is not sufficiently good to go into the most demanding applications, such as the exterior of motor cars. Busse says that the company is not aiming at this market yet in any case. The Crawfordsville plant is only now constructing a galvanising line.

"I'm not telling you we're ready to be the fender on a Cadillac," he says, "but we're not that far off."

Whatever quibbles remain about the quality of the product, Crawfordsville has been very successful in meeting its output targets.

The plant was built with a theoretical design capacity of 800,000 tons a year. In 1990, it produced slightly less than 600,000 tons. Last year, the figure was 802,000 tons, and this year, if the mill continues at its current rate, Crawfordsville will ship nearly 1m tons.

A principal reason is that the designers assumed that the entry nozzle, which carries steel into the SMS casting mould, would take such a beating that it would have to be replaced after casting four ladles of steel. In practice, one nozzle lasts routinely for 10 to 12 "heats" of steel.

Nucor reckons that the SMS process gives it a \$50 to \$70 a ton production cost advantage over Big Steel; a huge gap when sheet steel is selling at about \$300 a ton. Busse reckons the cost advantage will increase. "The gap is going to get substantially wider."

So pleased is the company with the SMS process that it is about to start production from a second plant (at Hickman, Arkansas) and is thinking about two further mills, one on the American west coast and one on the east coast. It is also likely to put a second casting machine into the Crawfordsville plant, which would add 700,000 tons to capacity at a cost of only \$35m.

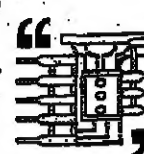
Others in the steel industry are starting to follow its lead. SMS says it has three other orders for the technology - one from Taiwan, one from the US, and one from Italy - while many other big steel companies, including the American Integrated, have shown curiosity in thin-slab casting.

Nucor knows its rivals will eventually catch up. For now, however, Busse says: "Our competitors are well behind us, and financially impaired. We may have a unique, vacuum-type opportunity - and we want to take maximum advantage of it."

Technically Speaking

Lack of vision leaves venture research at risk

By Clive Cookson



One of the past decade's most imaginative corporate research programmes is in danger of dying for lack of interest from industry.

Venture Research, as it is called, was set up and funded through the 1980s by BP, the UK oil company. It tries to seek out the world's most creative university scientists - and to support pioneering proposals that fall outside the scope of the normal sources of research grants.

On a budget of less than \$5m a year, the programme has supported 26 Venture Research fellows working in physics, chemistry, biology and engineering. Their achievements include important new ways of carrying out chemical reactions, streamlining mathematical arguments, and understanding the way genetic material is arranged in cells.

In 1990, BP decided that it could no longer afford to support Venture Research, though it is maintaining current grants until the last ones run out next year. The company, however, helped Don Braben, the programme's founder, to set up Venture Research International.

That was meant to be a consortium of half a dozen corporate sponsors, each covering a different industrial sector: for example, electronics, food and agriculture, chemicals, pharmaceuticals and engineering. Together they would provide a "ring of covered wagons" around Venture Research, to pick up anything produced by the scientists that was worthy of commercial exploitation.

Unfortunately, Braben has not yet persuaded enough companies of the merits of venture research to get the consortium going. So far only Sony, the Japanese electronics company, has made a clear commitment of support, but it is likely that at least two western companies must agree to join. The recession has been a handicap, but Braben has also been hindered by BP's short-sighted refusal to make any further commitment to the enterprise.

Time is now beginning to run out. If the programme is not re-established soon, and moreover on a long-term basis, it will lose its sense of identity and the community of venture researchers, which has so far shown strong loyalty, will begin to fall apart.

There is still hope. Earlier this month, Courtauld, the UK industrial materials manufacturer, invited a group of venture researchers to a conference at its Kenilworth training centre with a dozen of the company's senior R&D staff.

The experience demonstrated firstly that the academic scientists are keen to explain their work and build up contacts with industry - and secondly that their fresh approach can make a worthwhile contribution. The Courtaulds staff said afterwards they had found the meeting highly stimulating and had picked up several good practical ideas.

Braben is now lowering his sights in order to keep Venture Research alive. Originally, he had been asking companies to subscribe \$1m a year to join. Now he is prepared to accept much smaller contributions - as little as \$100,000 - to attract medium-sized European companies, such as Courtauld, as well as global giants like Sony and BP.

The track record of Venture Research so far suggests that companies buying in would get a good direct return on their money, though the nature of the enterprise makes the outcome completely unpredictable. The spin-offs are already worth much more than BP's total investment; they include a widely used enzyme-based diagnostic test and a new system for making left-handed and right-handed forms of molecules that can exist as mirror images. There are also the intangible benefits which industrial researchers derive from contact with academics who are exploring beyond the boundaries of conventional scientific thought.

Venture Research is cheap by the standards of contemporary science, because projects are in new fields in which competitive work has not yet pushed up costs. They tend to rely on the imagination of the scientists more than on expensive equipment.

On the whole, UK companies contribute rather little to university science compared with competitors based in other countries. Venture Research would provide an excellent means for a few of them to do more. How about it, British Aerospace, GEC, ICI, Unilever, Glaxo?

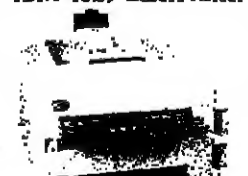
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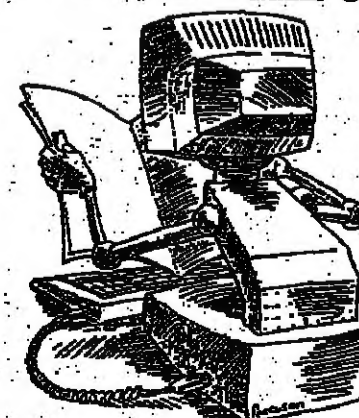
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TECHNOLOGY IN THE OFFICE



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FINANCIAL TIMES

ARTS

Drawing in Bologna 1500-1600

Lessons drawn from history

Susan Moore

ONE OF the most extraordinary features of the Renaissance in Italy is the emergence of distinctive regional styles of painting and drawing. Among these local schools the Bolognese only achieved the highest distinction with the rise of the great triumvirate of the Carracci - Annibale, his brother Ludovico, and their cousin, Agostino. This exhibition, "Drawing in Bologna 1500-1600" at the Courtauld Institute Galleries in London, the fourth in a series of drawings shows organised by Sotheby's, ends where most would begin.

Its finale concerns the early years of the Carracci in Bologna, before Annibale's move to Rome and the classical triumph of the Farnese Gallery. The main event allows a number of little-known artists to take the spotlight. However, its fascination comes not so much from what it can teach us about a neglected period of art or about the forerunners of one of the greatest of painters, but because it reveals quite how unexpected and exciting drawings can be.

Again, and again it demonstrates how different painters can turn out to be distinguished, even influential, draughtsmen. Moreover, it highlights how the medium of drawing allows a far greater freedom and spontaneity than is ever available to a painter. A case in point is the substantial sheet - on the evidence of this exhibition at least, there was no shortage of paper in 16th century Bologna - by Girolamo da Carpi.

Although as a rule hardly the most inspired of artists, he shows the flight of Daedalus and Icarus against a romantic

landscape with a memorably evoked expanse of water. He has washed the paper a pale sepia, to create a mid-tone, and then added darker brown as well as white heightening to broaden the tonal range, giving depth to the foliage, the landscape, and to the portentous clouds above the doomed Icarus. Pen is employed sparingly for the figures, but it is these fluid ink washes that create an effect of real poetry.

The visual qualities and technical range of these sheets more than outweigh the modestly reconstrued function of this show. Groups of drawings by, say, Francesco Primaticcio and Bartolomeo Cesi reveal their mastery of red chalk. The former favours a pinkish prepared ground for his graceful draped male figure, the latter chooses blue paper of the kind first found in Venice for a boy playing a viola da gamba. Neither is especially prolific or celebrated as a painter, but they are both wholly in their element on paper.

The exhibition also highlights the unpredictability of the relationship between an artist's way of drawing and the way of painting. While there are many artists - and the Flemish-born Denys Calvaert is the prime example here - whose artistic personality remains the same whatever the medium, there are others who seem to undergo a sea change.

There is considerable disagreement concerning the authorship of this exhibition at least, there was no shortage of paper in 16th century Bologna - by Girolamo da Carpi.

dissembler from other late-Mannerist productions by the likes of Samacchini and Sabatini - not the comic double act their names imply - but his drawings are radically different.

Executed in a boldly hatched pen and ink technique, they are inspired by the work of the Florentine Baccio Bandinelli, but go much further in their freedom of touch. Three are particularly fine. One from Christ Church, Oxford, is a preparatory study for a painting of the Adoration of the Magi, in which the normal sequence of execution has been inverted. Renaissance art treats from Alberti onwards invariably recommend that figures be studied in the nude and only then draped: it is evident here that the nude studies came second.

There is every reason to believe that the study of the human figure from life, which was one of the great revolutions of the Carracci academy, was needed. Yet the way in which they - and Agostino in particular - used the pen is inconceivable without the example of Passerotti.

His other great appeal is an eccentric fascination with low life, which anticipated the genre studies of the 19th century. Hideous kissing couples, slaving in a manner worthy of late Picasso, exotic animals and peoples, are among the quirkiest of the period. By the mid century Bologna had become a centre of scientific study, and Passerotti's scrutiny of the more grotesque aspects of the natural world was prompted by the explorations of his friend, Ulisse Aldrovandi, the noted naturalist. Here a splendidly repellent pair of demons, one all but cooing the other, and an enchantingly flamboyant heraldic dragon, represent this side of his art.



Detail from Pair of Demons, by Bartolomeo Passerotti

black chalk male nudes and boldly washed sheets by Pietro Faccini. He is a Second Eleven painter but an unforgettable draughtsman. You only have to look ahead to Guercino - who makes the first turn but arguably also excels on paper

to witness the effect a minor master like Faccini can have.

The exhibition continues at the Courtauld Institute Galleries, Somerset House, until August 31.

The Kirov in New York

Alastair Macaulay

NEW YORK may well be the world's worst place for watching the Kirov Ballet. It only stays at the Met for three or (this year) two weeks, uses a local orchestra, and arrives at the end of a big North American tour. London, by contrast, had six weeks of the Kirov in 1980, and Paris, whose Palais des Congrès has presented the company for several eight-week seasons and with a Kirov orchestra, is luckier yet. In Paris the company is also not obliged to squeeze ballets into a three-hour time limit. This year, however, New York is not the Kirov's only problem.

For 30 years, the Petersburg company has thrived on exalted mystique. It used to tour far less than the Muscovite Bolshoi, and therefore had rarely appeal. Though no one has ever been able to claim seriously that the Kirov was a shrine of spontaneity, ingratiating manners, keen musicality or sheer generosity of spirit, its advocates have remained hooked on its pure classical style. But during the ten years I have been watching it, the Kirov has been touring more and more extensively and has shown unmistakable signs of decadence. And evidence suggests that some of the decadence began long ago.

How pure is any classical dance style that is not attentive to musical detail? Numerous Petersburg dancers - notably (by all accounts) Olga Spessivtseva in the 1920s

Imperial accretions - that blighted it (as the Jester). His new version of the final act, to a bizarre mish-mash of music, has opposed corps of black and white swans. One dance began with the whites hitting the upbeat and the blacks hitting the downbeat - as if "you say potato, I say potato" had reached Swan Lake.

Vinogradov has also staged his own recreation of the original Kirov staging of the Lavrovsky *Romeo and Juliet* - the version that, with the Bolshoi and Galina Ulanova, conquered the West in the 1950s. It still shows the dramatic point of some details of Prokofiev's score but this *Romeo*, even more than others, needs thoroughly verisimilitude, acting and surging vitality of performance. The 1950s Bolshoi (as film shows) had that; the 1992 Kirov does not. The best feature was the ravishing original designs, recreating in scene after scene the beauty of the Italian Renaissance.

The company's best full-length show was *La Bayadère*, even though it often did not feel much like a ballet. The production's big thrill is its old turn-of-the-century painted scenery, handsomely restored. Then there is the absorbing oddity of Kirov mime - rigorously eliminated from the company's *Swan Lake* these several decades - here deployed with massive silent-movie weight. But there is also the depressing spectacle of Kirov dancing at its worst - stuffy, effortful and posey. The legendary corps de ballet, in one of its off periods, exemplified this.

For just one performance only the company presented a triple bill of Western choreography - a sequel to the now-famous pair of Balanchine ballets the company presented on its Western tours of 1988 and 1990. These three amounted to much less. Antony Tudor's *The Leaves are Falling* challenged the dancers to show a brand of lyrical, light spontaneity that as yet eludes them; Jerome Robbins's *In the Night* prompts them to use the kind of slow, heavy, solemn Romanticism they already overdo.

Best was Balanchine's *Apollo* - flawed but alive. This *Apollo*, not the shortened *Foia* that Balanchine staged in his last years, gave New York its first view of the old prologue and apothecosis for 17 years - a more satisfying text of the century's most influential ballet. Igor Zelensky, the young stone-faced tough who danced the protagonist and who gave the season's strongest male dancing, joins New York City Ballet later this year.

The Kirov still has a number of real dancers; but just now it is not the best place for them to be. Too many of them, like the young Yulia Makhalina (Terpsichore in *Apollo* and first-cast ballerina in *Swan Lake* and *La Bayadère*), show outstanding physical talent that has been educated away from its true dance instincts.

The US consummates a romance with Monet

ON A recent summer day in the French village of Giverny, the old stone houses along the rue Claude Monet were draped in banners that read: "Parkings Exterieurs; Vie Meilleures." No students or farmers protest this, but a village at war with its fame and the tourists' cars which residents would like to restrict to areas away from the narrow streets in order to maintain their quality of life.

The occasion of the protest was the opening of the Musée Américain, a small museum on the rue Claude Monet devoted primarily to American Impressionist painters. But the roots of it go back to that day in 1983 when Monet saw - fleetingly from a train - the property in Normandy he made famous as his home in this village along the Seine, 46 miles north west of Paris.

Soon after, Giverny became a mecca for those American artists who sought to treat art as Monet did, in Paul Valéry's words, as "the eye's most delicate reactions to light." Influential among the strong Boston contingent that arrived after studying in Paris was the artist Lilla Cabot Perry, who lived in the house next door to Monet, whom she befriended during her sojourns there. She also maintained small studios for her friends, and at one time

more than half the houses in Giverny were occupied by US artists.

In a sense, this American romance with Giverny has never abated, for when the time came in the 1970s to restore Monet's house and the water-garden that inspired his water-lily paintings, the job was largely done with American funds. Successful as was this restoration, the village has been overrun ever since by tour buses. Still, the magic is there for Chicago art collector Ambassador Daniel J. Terra and his wife, Judith, who found out in 1986 that the house was for sale. They purchased it with the notion, which later proved impractical, of creating a small gallery for the American Impressionist paintings in their collection.

They developed instead the idea of building an American Museum in the village to commemorate that period of cross-pollination. On the eve of the opening of their Terra Museum of American Art in Chicago in 1987, they purchased a site on the rue Claude Monet, formerly the haystack field of Monet's paintings. (A Reagan cultural affairs ambassador, Daniel Terra's invention in 1936 of ultra-rapid drying ink transformed the magazine world and led to his financial success.)

After many long meetings with the mayor of Giverny and

the village council, the architecture for the museum came about almost by accident. The main concern of the Terras was to restore American canvas painted in Giverny to the natural light there. Rural though the site is, it shares the same street with the *maître* and the church and is in close proximity with village houses. French architect Philippe Robert of Reichen and Robert found a solution by doodling a design based on the stepped terraces that cascade down the hillside

Paula Deitz reports on the opening of a US-inspired museum in Monet's beloved garden at Giverny

flower borders and trellises of the Monet garden across the road or the landscape paintings on view. Here again, Mark Rudkin, an American landscape gardener who lives in France, appears to have drawn inspiration from the small front gardens of the village houses across the way.

For the opening exhibition "Lasting Impressions: American Painters in France, 1865-1915" (until November 1), the curator has gone to great pains to convey the Giverny experience both in terms of the artists and range of styles by securing loans to complement the

that almost disappear under flat rooftop terraces planted in beech. (Some 70 per cent of the structure is actually underground.)

One of the prettiest parts of the whole project is the parking lot for 250 vehicles, a lush green field planted with fruit trees that is indistinguishable from any orchard on a local farm. For the gardens that front the museum on the village street, pains had to be taken to make them attractive without duplicating either the

Terras' collection. The 90 works on view represent 40 artists. Not since the late 1890s and 1900s at the St. Botolph Club in Boston have so many of these canvases been shown together. In the first two galleries are paintings from the early and late periods in Giverny; and in the third, works by compatriots living elsewhere in France including Brittany and Paris.

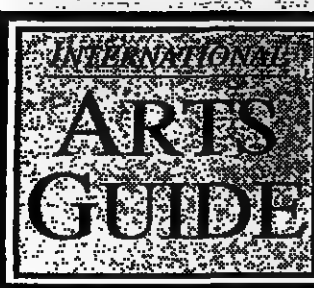
The one painting that speaks for the whole period is Theodore Robinson's "The Wedding March" (1892), which celebrates from memory the ceremonial walk from the *maître* to the village church for the marriage a few weeks earlier of Monet's stepdaughter to the American artist Theodore Butler (father and bride lead off the wedding party.) Robinson wrote in his diary, according to the catalogue, that his only model was the groom's silk hat, but what he had learned about light, colour and brushwork can be summed up in the fragile transparency of the bride's veil.

Although there are paintings of Giverny gardens and of haystacks in changing light, some of the strongest works in the show, by among others Willard Leroy Metcalf and Theodore Wendel, have as their subjects the River Epte and the streams and brooks eddying around the village through green fields with pollarded trees. When

they returned to America, the artists brought this same sensibility to New England scenes: Wendell's "Bridge at Ipswich" (ca.1905) could almost be Giverny if not for the architecture of the neighbouring houses.

Three oil sketches and a study by John Singer Sargent for "Oyster Gatherers of Cancale" (1875), united in the show with the finished painting, offer rare documentation of how he developed his fluid brushwork and muted palette. With Childe Hassam's "French Peasant Girl," Mary Cassatt's prints influenced by the Japanese style and Maurice Prendergast's view of the Tuileries Garden (that predates his Boston Public Garden Sketchbook), the viewer is introduced to a wide spectrum of American art, albeit as practiced abroad.

As a showcase for American art, the museum plans to broaden its programme to include exhibitions, for example, of early abstract paintings by such modernists as Arthur Dove. Otherwise, as an attraction with good public facilities, it could be that the Musée Américain will disperse the concentration of visitors to Monet's garden over a wider area and decrease congestion in the village. Judging by the still tranquil stretch between the *maître* and the village church, the essence of Giverny has been preserved.



CHICAGO

RAVINA FESTIVAL: Tonight, Tony Award-winning actress Bernadette Peters hosts a show of classic American songs and Broadway's greatest hits. Tomorrow: Peter, Paul and Mary. Thurs: Preservation Hall Jazz Band. Fri: André Previn opens two weeks of concerts with the Chicago Symphony Orchestra with a programme including Ravel's G major Concerto (David Owen Norris) and Mendelssohn's Italian Symphony. Sat: Emanuel Ax plays Beethoven's Fifth Piano Concerto. Sun: Chicago Symphony plays American classics. Next Mon: Lieder recital by Edith Mathis. The festival runs until early September. All concerts are broadcast to the lawn for outdoor listening. Admission to the lawn is always available (312-782 4642).

COPENHAGEN

TIVOLI CONCERT HALL: Tomorrow's recital by the Hagen Quartet includes works by

Janacek and Beethoven. Noel Lee gives a piano recital on Fri, followed on Sat by a concert performance of Simon Boccanegra conducted by Marcello Viotti. All performances begin at 19.30 (3315 1012).

GENEVA

This summer's music programme at the Cour des Ville is built around the theme of dialogue between Europe and Latin America. In concerts tonight and tomorrow, Ensemble Encuentros perform contemporary music from Argentina and other South American countries. Thurs: guitar recital by Miguel Charovsky (312 4353).

HAMBURG

Carlos Kalmar conducts the Hamburg Symphony Orchestra tonight at 20.00 in the second of its series of Tuesday evening summer concerts in the Rathaus (454948). Tomorrow at St Michaelis Kirche: Simon Rattle conducts the City of Birmingham Symphony Orchestra in works by Janacek and Mahler (366568). Opening on Fri in St Pauli Theatre: summer production of Cole Porter's musical *Kiss Me Kate* (314344). The Deutsches Schauspielhaus has daily performances of West Side Story (248713).

MUNICH

MUNICH OPERA FESTIVAL: Tonight's performance in the

National Theater is *Le nozze di Figaro*, with Pamela Coburn, Barbara Bonney and Thomas Hampson. Tomorrow: Die Meistersinger von Nürnberg with Bernd Weikl and Lucia Popp. Thurs: Boris Godunov with Evgeny Nesterenko. Fri: Der Rosenkavalier with Felicity Lott as the Marschallin, Wolfgang Sawallisch conducts Figaro and Meistersinger. Sat: Die Meistersinger von Nürnberg with Nikolaus Lehnhoff's new production of Henze's *Der Prinz von Homburg* on Thurs (in the Cuvillies-Theater). This is the final week of the 1992 festival, after which the National Theater will close for extensive revision to the hydraulics system, lasting rest of next season (221316).

CONCERTS

Tonight's outdoor Vivaldi concert in the Brunnenhof der Residenz is given by the Munich Bach Collegium (299901). Thurs at Gasteig: Simon Rattle conducts the City of Birmingham Symphony Orchestra in works by Turnage, Haydn and Prokofiev. Fri at Mithraskirche: City of Birmingham Symphony Chorus sings Bruckner, Mendelssohn and Durufle (4808 614).

NEW YORK

AVERY FISHER HALL: 20.00 Mostly

Mozart: Christoph Eschenbach is conductor and piano soloist with the Festival Orchestra tonight and tomorrow. Fri and Sat: Neeme Järvi conducts Mozart (875 5030).

SEVILLE EXPO

DANCE: National Ballet of Chile can be seen tonight in the Roman amphitheatre of Italica. Thurs and Fri: Victor Ullate Company. Evenement 92, a new ballet choreographed by Joelle Bouvier and Régis Obadia with music by Louis Winsberg, can be seen on Thurs and Fri in the Central Theatre. Sun, Mon and next Tues in the open-air Auditorium (5500 seats): flamenco spectacular.

MUSIC

Tonight's concert in the Maestranza Theatre is a performance of Mahler's Eighth Symphony by the Symphony Orchestras of Bilbao and the Basque Country. Tomorrow: Seville Symphony Orchestra. Thurs and Fri in the open-air Auditorium: Lorin Maazel conducts World Youth Philharmonic Orchestra. Daily at the Palenque: music from Cuba.

For further information, dial 0034 5 448 0404 from outside Spain, or 902 22192 in Spain.

STOCKHOLM

DROTNINGHOLM: The main event at this summer's festival at the Drottningholm Court Theatre in Stockholm is a new production of Gluck's

Orfeo ed Euridice, conducted by Arnold Osmann. After this week's performances (tomorrow and Fri), the festival takes a break until August 21, when there are two further performances of Orfeo, followed by two Cramer's pantomime ballet after Beaumarchais, entitled Figaro (660 8225).

VADSTENA

The Vadstena summer opera festival, set in the historic buildings of this medieval town 250 km south-west of Stockholm, includes a revival of *The Island of Spirits* (till Aug 9 at Vadstena Castle), an opera by the late 18th century Prussian court composer Johann Friedrich Reichardt. Last year's acclaimed production of Jonas Forssell's comic musical drama *Thine is the Kingdom* is revived at Vadstena Old Theatre on Aug 7 (143 1229).

STUTTGART

LUDWIGSBURG FESTIVAL: Agnes Baltas is soloist in an evening of Greek folklore on Fri in the Theater im Forum. Sat: Andras Schiff, Yuzuko Shiokawa and Boris Pergamenschikov play chamber music by Schumann and Janacek. Sun: Dietrich Fischer-Dieskau, accompanied by Murray Perahia, sings Brahms' *Die schöne Magelone*. Mon: Simon Rattle conducts the City of Birmingham Symphony Orchestra in Mark Anthony Turnage's *Three Screaming Pops* and Deryck Cooke's realisation of Mahler's Tenth Symphony. Guest artists in August include Anne Sophie

Mutter, Marilyn Horne, Gwyneth Jones and Les Arts Florissants (7141-949610).

WASHINGTON

WOLF TRAP: John Williams conducts tonight's concert by the Boston Pops Esplanade Orchestra. Tomorrow: Preservation Hall Jazz Band.

Fri and Sat: National Symphony Orchestra at the movies. Thursday's programme is a screening of Phantom of the Opera with live orchestral accompaniment. Friday is Alexander Nevsky, and Saturday is a night of classic escapes, with scenes from Robin Hood, Ben Hur and others. Sun: The Peking Circus. Next week: Ballet West in *Romeo and Juliet* (Filene Center at Wolf Trap, 703-218 6500).

BLUES ALLEY JAZZ

Nancy Wilson (vocals) is this week's resident artist at the Blues Alley Jazz Supperclub. Dining from 18.00, showtimes at 20.00 and 22.00 (1073 Wisconsin Ave. in the alley, 202-337 4141).

BALTIMORE SYMPHONY ORCHESTRA

This weekend's concerts at Oregon Ridge include a Spanish fiesta on Fri, with orchestral favourites by Bizet, Ravel, Laio, Falla and Rimsky-Korsakov; on Sat, a programme of popular works by Richard Strauss, John Williams, Johann Strauss and Holst; and on Sun, a Gershwin programme. Aug 7: romantic works and fireworks. Aug 8: Disney classics (410-783 8077).

European Cable and Satellite Business TV

(all times CET)

MONDAY TO FRIDAY

CNN 2000-2030, 2300-2330 World Business Today - a joint FT/CNN production with Grant Parry and Colin Chapman

Super Channel 0830-0900 (Mon) FT East Europe Report - weekly indepth analysis from ETV 2100-2200 (Tues) Media Europe - what's new in European media business 2100-2200 (Wed) FT Business Weekly - global business report with James Ballin 0830-0900 (Thurs) Media Europe 2100-2200 (Thurs) FT Eastern Europe Report 0830-0900 (Fri) FT Business Weekly

Sky News 0130-0200 (Mon), 2130-2200 (Thurs), 0500-0550 (Fri) FT Business Weekly

SATURDAY

CNN 0900-0930 World Business This Week - a joint FT/CNN production 1900-1930 World Business This Week

Super Channel 1930-2000 FT Eastern Europe Report

SUNDAY

CNN 1030-1100, 1800-1830 World Business This Week

Super Channel 1800-1830 FT Business Weekly
Sky News 1230-1400, 2030-2100 FT Business Weekly

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Tuesday July 28 1992

No-confidence vote in Tokyo

THE GLUM reaction in the Tokyo markets to the half-point cut in the official discount rate is becoming something of a habit. Stocks have fallen sharply after each of the five rate cuts made since July 1 last year. Such consistent refusal to be cheered by monetary easing suggests a verdict: the market now seems to believe that the Japanese malaise is beyond purely monetary cure.

This looks plausible. Decades of rapid growth have left Japanese domestic demand heavily dependent on industrial investment. It is difficult at the best of times for such an economy to slow down in an orderly way, since investment responds sharply to quite mild disappointments about domestic growth. The official reliance on consumer demand to fill the hole this time always did look like wishful thinking, even before consumer confidence was undermined by the property and stock market collapses; it now looks absurd.

Although the consensus forecasts still speak of some growth in the Japanese economy this year, there is now a clear danger that the consensus is as far behind events as it has proved in the UK. The recent news is forbidding. In May, Japan's seasonally adjusted industrial production (the most recent figure) fell 1.9 per cent from April; inventories rose 0.4 per cent. Retail sales in June fell 4.3 per cent from a year earlier - the third drop in four months. The money supply grew by only 0.9 per cent in the year to June. As a government spokesman modestly admitted, it is hard to see any

promising stimulus anywhere. It is not hard to suggest a possible remedy. In an economy where private investment is undermined by poor growth prospects, and consumer confidence by financial losses and doubtful job prospects, a really large programme of public sector investment virtually suggests itself. This is what the US has been demanding, and what the market may have been hoping to hear announced last Friday. In the event, they found a government still dithering over a package whose details are still obscure, but which appears to contain more window-dressing than substance. As one Tokyo broker sourly commented yesterday: "The market does not need more details, it needs the kind of government that would have made the hard decisions on Friday."

Some hesitation is understandable. The policies which the Japanese authorities are now being asked to adopt - a combination of easy monetary policy and a strong fiscal stimulus - are precisely those adopted, again under US pressure, in 1966, and which led to the bubble economy.

However, that history is very unlikely to repeat itself, for two reasons. First, the Japanese authorities allowed the boom to persist, against their better judgment, in order to help Mr George Bush in his 1988 election campaign. This time, there is no such reason to inhibit timely monetary tightening. But above all, confidence is now so low that the dangers are on the downside. Dithering is the most dangerous policy.

Travel blues

THE LABOUR party's suggestion that the government consider compensating those who lost money in last week's collapse of the Land Travel coach company will receive little sympathy from the majority who take the trouble and can afford the expense to book their holidays through better-protected organisations.

Most holidays are sold through companies affiliated to the Association of British Travel Agents (Abta) or other trade associations, which offer a high level of protection to customers. Land Travel, which was not an Abta member, was an exception.

The government insists its proposed regulations will ensure that from the beginning of next year, all purchasers of package holidays will be as well protected as the majority are today. In their current form, however, the proposed regulations are unlikely to prevent future Land Travels.

The aim is to implement a European Community directive due to take effect at the beginning of 1993. This stipulates that travel companies make arrangements to ensure holiday makers receive compensation and can return home if their company collapses. The directive will not require changes to be made to the sale of air charter holidays, since UK providers of these already have to be licensed and arrange bonds to protect their customers. The bonds are backed by the Air Travel Trust Fund, set up in the 1970s through a levy on holidays and shortly to be topped up via the

same mechanism. Travel by land and sea presented the government with a more complex challenge. Many providers of non-air package holidays are small companies, a hotel in Scotland which also offers golf is a provider of package holidays. It would be expensive and impractical, the government says, to license all of these.

Abta suggested the government distinguish between holidays abroad and at home. All companies taking travellers out of the UK should be licensed and bonded. Abta said. A surface travel fund should be set up along the lines of the air travel fund.

The government has now agreed to the establishment of such a fund, but membership will be voluntary. Surface travel companies, which remain outside the fund will have to make arrangements to protect their customers. Trading standards officers will check they have done so, but it will be difficult for them to know whether arrangements are adequate, and there will be no reserve fund to back them up if a company fails.

The government has reason to resist yet more molly-coddling of package tourists. Why, after all, should package holiday makers be better protected than those who buy pensions? But if the government is going to regulate holidays - and the EC directive gives it no choice - surely it is better to have a simple, universal system for holidays abroad of the kind Abta has recommended. At least that would be effective.

Reform in Algeria

ONE MONTH after the assassination of the acting head of state, Mohammed Boudiaf, the Algerian authorities have yet to provide any clues as to how they plan to break the country's spiral of violence and economic decline.

Some of the appointments made since his death suggest that the five-member collective presidency wishes to respect Mr Boudiaf's commitment to serious reform. But the continuing crackdown on militants of the banned Islamic Salvation Front (FIS) has not stopped repeated acts of sabotage, and the 12-year prison sentence handed out to the two main FIS leaders, Mr Abassi Madani and Mr Ali Benhadj, has done nothing to calm their more extreme supporters. Unless the government sets out a convincing new political and economic direction for Algeria, civil war is a real possibility.

The new prime minister, Mr Belaid Abdesslam, was a respected adviser to the late President Boumedienne in the 1970s. But he is also reputed to be an obstinate man, still attached to the old dogmas of the state command economy. He recently criticised the abolition of subsidies and the devaluation of the dinar, suggesting that Algeria should live on a war footing, on the \$3bn (£1.6bn) of its \$12bn annual foreign income left after foreign debt service.

Since the riots of 1988, Algeria has embarked on a programme of reform and is currently negotiating a third standby credit with the IMF. Will Mr Abdesslam follow the traditional "Algerian" way

of pushing blindly ahead in the belief that he is right, or will he take the advice of the IMF and EC, and accept that Algeria is not immune to global market forces?

Agreement with the IMF, which as recently as last month commended Algeria's policy of refinancing rather than rescheduling its \$35bn foreign debt, is vital. Without it other loans, notably from the EC, will not be forthcoming. Nor will Algeria be able to attract foreign investment outside the field of hydrocarbons. More than 100 joint ventures have been signed, often by private Algerian entrepreneurs, with foreign companies in sectors such as pharmaceuticals, building materials and computers. The prime minister will have to negotiate with France, which - unlike Italy and international commercial banks - has refused to refinance its \$6bn of state-guaranteed export credits.

Dialogue with its foreign economic and financial partners would be in Algeria's best interests, and a measure of support from western countries, whose oil companies have signed exploration agreements following last year's liberalisation, will be forthcoming. But obtaining greater sacrifices from a population, part of which tacitly or overtly supports the FIS, may prove impossible, unless the collegiate presidency can establish a dialogue with the FIS and other opposition parties. In the absence of such a dialogue the violence at home seems certain to worsen.

Corporate France is launching an unprecedented invasion across the Rhine, attracted by the belated realisation that Germany is the key to its success in the European market.

The first French boarding parties have had mixed success in a country in which resistance to foreign incursions is still a factor, although the single European market is helping to erode such barriers. However, the French can already claim a record number of takeovers and some export success.

French companies last year took over 70 west German companies, more than three times as many as in 1990, says the Patronat, the French employers' association. Since the collapse of the Berlin wall almost three years ago and the ensuing privatisation of most east German industry, France has emerged as the largest foreign investor in eastern Germany by far, having spent FF71.7bn (£770m) on buying 78 privatised companies, covering everything from industrial gases to petrol stations. France's nearest rival, the US, has invested the equivalent of FF5.2bn over the same period, according to the Treuhandanstalt privatisation agency.

At the same time, French exporters have increased their share of the German market from 11.8 per cent in 1990 to 12.3 per cent in 1991. In addition, France's trade deficit with Germany, its largest trade partner, is slipping, to FF7bn last year from FF4.2bn in 1990. Car makers are leading the charge, with a 54 per cent rise in exports to Germany last year.

Symbolically, Renault is now the biggest-selling foreign marque in Germany. In the east, sales of the Renault 19 last year overtook those of that quintessentially German success, the VW Golf, partly because of the French car's low price.

On the takeover front, French investments in Germany include: the majority state-owned oil company, Elf Aquitaine, which has won an agreement to run the monopoly petrol station chain in eastern Germany. The deal entails an estimated DM60m (£2.1bn) investment by Elf and its local partners - the largest French investment in Germany since the second world war.

● L'Air Liquide, which has become the east's market leader in industrial gases by taking over three privatised producers. "Our first objective in Europe is Germany," says a L'Air Liquide executive.

● In west Germany, Moulinex, the French domestic appliance maker, which last year paid DM150m for Krups, the family-controlled maker of coffee machines and blenders.

● France's biggest state-owned bank, Banque National de Paris (BNP), which is negotiating to exchange stakes with a leading German bank, Dresdner, which is in turn partly controlled by Germany's largest insurer, Allianz.

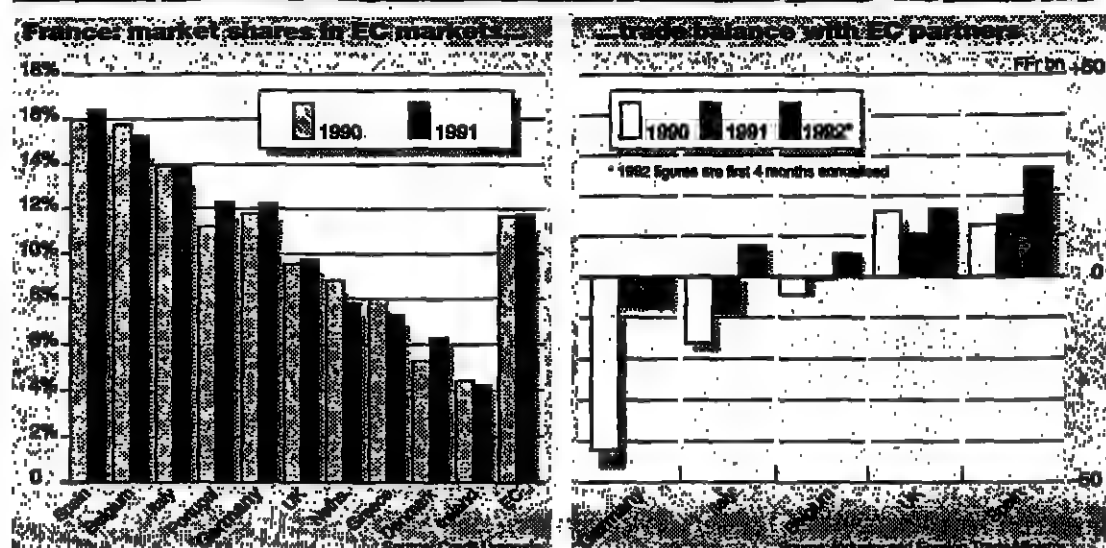
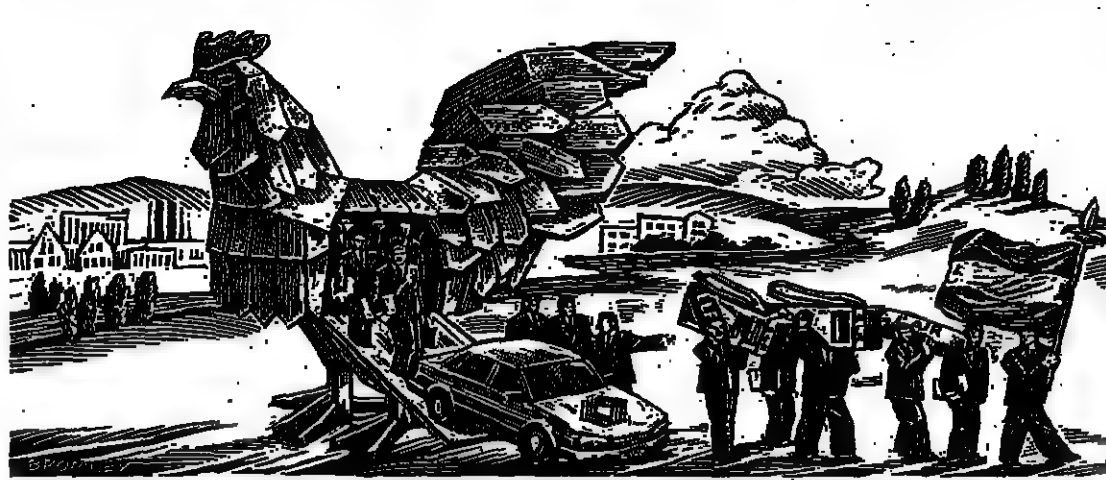
All this marks a big change from a few years ago, when the French business world shrank under the shadow of German competition. Where does this new confidence come from?

Part of the answer lies at home. French companies are reaping the benefits of a decade of German-style monetary and budgetary rigour. Successive Paris governments have followed a policy of disinflation after the short and unhappy experiment with interventionism and budgetary expansion in the early 1980s. For the first time, French business has a solid base from which to expand across the Rhine.

Mr Pierre Bérégovoy, prime min-

Germany is increasingly the target for French industrial investment and exports, writes William Dawkins

France sets sights across the Rhine



ister and former finance minister, has for the past 13 months delivered inflation rates lower than in Germany. French inflation is now at 3 per cent annually against Germany's 4.3 per cent. This is the key to French price competitiveness.

"There is also broad political support for Mr Bérégovoy's monetary and budgetary rigour. To help matters further, France's strike record has improved substantially, despite the disruption of the recent truckers' strikes.

Germany has been in the sights of French government economists for the past 10 years, but it has only recently become the central interest of business strategists. Initially, the French takeovers of recent years were concentrated in the US, rather than in Europe. But French companies have realised that they can no longer afford to neglect Germany, which they had previously ruled out as being all but closed to foreigners.

"It's all due to the fact that French companies have just begun to define European strategies for themselves and this cannot be complete without a strong German strategy.... But we are only catching up, after having been delayed by the economic policies of the French government at the start of

the 1980s, which held up foreign investment," says Mr Ernest-Antoine Seillière, chairman of the Patronat's economic commission.

Mr Michael Ballhausen, the executive in charge of BNP's link with Dresdner Bank - recently cleared in principle by the French government - explains: "There has been a lack of BNP investment in Germany in the past. Dresdner is in a similar position in relation to France."

Both partners realise that they need more agencies abroad, preferably with local partners, to reflect the growing internationalisation of their customers and competitors.

Another factor in France's new wave of German investment is the east German privatisation programme. France was the first to benefit from the inability of west German industry to absorb all the privatisations on offer - one reason the Treuhandanstalt is encouraging foreign investment - and from the concern of east Germans to reduce domination by their western compatriots.

Even so, foreign investment in eastern Germany has fallen below the Bonn government's hopes. So far, non-German companies have bought a mere 5 per cent of

east German privatisations. "L'Air Liquide is a prime example of a French company which has seized this chance to plug a hole in its European market strategy. For years, the French company had a de facto share of the west German market, blocked by Linde, the powerful domestic supplier of industrial gases. The pair had an unspoken agreement that they would stay out of each other's national markets, an accord which became unworkable with the European Commission's application of competition policy."

With unification, L'Air Liquide snapped up three privatised east German companies, against competition from Linde. The acquisitions gave L'Air Liquide 40 per cent of the eastern market for industrial gases and 12 per cent of the overall German market. It is investing FF1.4bn in a bid to increase its overall German market share to 20 per cent.

Yet resistance to French and other foreign investment can still be a factor, even in the east. It is evident in a whole range of sectors, but it comes from the grass roots, rather than reflecting official policy. Take the experience of Electricité de France (EdF), the state-owned power utility which is Europe's largest exporter of electricity. Two

years ago, it had high hopes of being the lead foreign partner in a west German consortium to supply and distribute electricity in the east. In the event, EdF has had to settle for a much smaller project, a joint venture with the west Germans to build and manage new power stations in the east.

The problem was partly the fault of the French government, which held up the deal by not letting the German partners take a stake in EdF, as they wanted. But the final block came when east German local authorities said they wanted to manage their own power supply, as their west German counterparts do.

Another example of the problems facing potential investors is the difficulty experienced by Crédit Lyonnais, the state-owned bank, which wants to expand into Germany as part of its strategy of turning itself into a pan-European bank.

Last autumn, Crédit Lyonnais broke off co-operation talks with Commerzbank, Germany's third-largest bank, after four years. The two banks could not agree on who would take the lead in their respective domestic markets, and Crédit Lyonnais is now seeking an alternative opening in Germany.

"Because Commerzbank was there as a potential partner, we were not as aggressive in Germany as we might have been," admits Mr Ad Nollen, Crédit Lyonnais's European general manager. As a result, it now has fewer branches there than in Belgium, he points out.

Crédit Lyonnais has now found an alternative entry to Germany thanks to another state-owned group, Assurances Générales de France (AGF). The pair struck a gentlemen's agreement earlier this year to help each other get round local opposition to two difficult investments.

AGF wanted to strike a commercial accord with an unwilling Aschener und Münchener (AMB), Germany's third-largest insurer, in which it has a slightly more than 25 per cent stake. To weaken the resistance of AMB's management, the French insurer persuaded Crédit Lyonnais to consider buying a stake in the German insurer's loss-making banking subsidiary, Bank für Gemeinwirtschaft (BiG). The strategy appears to have worked, in so far as AMB has recently lifted its objections to letting AGF use its full voting rights and accepted that Crédit Lyonnais should start negotiations on taking the problems of the banking unit off its hands.

The clear lesson from the French companies that have succeeded across the Rhine is that a local partner helps.

This, at least, is how Elf Aquitaine accounts for the ease with which it acquired Minol, the east German petrol station chain. The French company is acting with Thyssen, the German steel and engineering group, which will build a refinery to supply Minol, and SB Kauf, a hypermarket chain which will stock the filling station shops. Elf's unsuccessful rival was a group led by British Petroleum, with French, Austrian, Norwegian and Italian partners, but no Germans.

Where French companies have met resistance, they attribute it to cultural and psychological factors. But they believe this will be weakened by the Treuhandanstalt's encouragement of foreign investment and by the opening of European markets. "There is latent protectionism," says Mr Claude Tagger, AGF's director of international development. "But it can't possibly survive under the weight of market forces."

Joe Rogaly

Saddam's wriggle explodes UN myth



A cloud of self-interest is obscuring the United Nations tower in New York. It allows the famous building's inhabitants to imagine that their organisation is an effective force. The hard truth is that it is nothing without the United States - and this summer the US is likely to withdraw its hand from the glove puppet.

President Bush will pounce, either alone or through the UN, if he sees a chance to score a victory somewhere on the face of the globe - perhaps even in the Gulf - that might ensure his re-election. In real life such opportunities are rare. The risk usually outweighs the potential reward. Washington's foreign policy is therefore gradually being put on hold until after November 3. That means the UN may have little more to offer the world this year.

Take the latest myth, generated over the weekend. Its proponents would have us believe that President Saddam Hussein has once again been obliged to bow to UN pressure. The world's peacekeepers will after all be allowed to enter the ministry of agriculture building in Baghdad, where they may search for information on Iraq's missile programme. It is supposed to be a famous victory. Piffle. Consider what Mr Saddam has achieved. First, he kept the UN inspectors hanging around for 18 days in a camp outside the ministry. Then he waved them goodbye as they went back to base. Then he failed to register the slightest sign of concern at threats of renewed military action. Finally he did a last-minute deal

that suited him more than it suited the US or the UN. If there was useful evidence in the agriculture ministry before, there is unlikely to be more than shreds and ashes left behind now. Mr Rolf Ekeus, the UN official in charge of the dismantling of Iraq's weapons, has acknowledged that the building has probably been "effectively cleaned out". That is bad enough. Far more damaging is the fact that Mr Saddam has been able to tell the UN who it may send in and who it may not. The team of inspectors includes two Americans. The latter will not be allowed inside the agriculture ministry, but may hover outside. There they may sift through material brought to them by colleagues more

the Iraqi would not be allowed to get away with it again. Now, less than a year later, Mr Saddam has tested the "cheat and retreat" policy to its limits. Worse, he has extended those limits. He has fessed the UN into accepting that some of its inspectors are less welcome than others. This must give him hope of a new formula - cheat and defeat. President Bush warned on Sunday that "behaviour along the lines we have just witnessed will not be tolerated". If you were Mr Saddam, would you believe him?

None of this means that there is an easy solution. The Gulf ceasefire was negotiated before the allies' implicit war aim, the toppling of the Iraqi president, had been achieved. It was thought that since he had brought such disaster upon his own people they would overthrow him. That was a US miscalculation. The world now has to live with the consequences. The UN believes it has succeeded in blowing up many of Iraq's weapons of mass destruction, although nobody can be sure about replacements. It may be that renewed bombing would be effective, although the experts doubt it. Perhaps air power should be used to protect the Kurds in the north and the Shia Muslims in the south. Perhaps a political settlement should be sought.

I make no judgment about these and other possible strategies for ensuring that Iraq does not again threaten the peace. What is clear is that until either Mr Bush is re-elected or Governor Bill Clinton enters the White House the new world order is suspended.

This affects other areas of UN activity. When Yugoslavia first began to fall apart the US decided to regard it as a regional problem

for Europeans to handle. Europe failed. National foibles destroyed its unity. The Germans insisted on the recognition of Croatia. The Greeks would not accept the name "Macedonia". President Mitterrand parachuted himself into Sarajevo. Now Lord Carrington is being undermined.

Washington could not ignore the chaos. The US secretary of state, Mr James Baker, decided that his country's interest lay in demonstrating that no borders may be altered by force. The alternative was that a terrible example would be set, leading to strife in eastern Europe and the former Soviet Union. In US eyes the former Yugoslavia is therefore no longer a regional problem, but a global one. Solving it has become part of building the new world order. The question remains: will Washington provide the necessary finance and military support? The Serbs seem unlikely to take notice of any power on earth other than the US. So far, there is little sign of this being seriously deployed. President Bush, so brilliant at foreign affairs in 1990 and 1991, has become immobilised by his opinion polls.

There is a third area of UN concern. In Somalia, a far-away land that was of strategic interest to the US when Ethiopia was regarded as



President Saddam Hussein: testing "cheat and retreat" to its limits

for Europeans to handle. Europe failed. National foibles destroyed its unity. The Germans insisted on the recognition of Croatia. The Greeks would not accept the name "Macedonia". President Mitterrand parachuted himself into Sarajevo. Now Lord Carrington is being undermined.

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There is a third area of UN concern. In Somalia, a far-away land that was of strategic interest to the US when Ethiopia was regarded as

a Soviet client state, some 2,000 people are dying of starvation every day, according to a reported assessment by an official of the US Agency for International Development. A quarter of the 8m population is reckoned to be in imminent danger of starvation. Assistance has been sent by a variety of donors, including the UN world food programme, the Save the Children Fund and the British government. The trouble is that the rival clans fighting a merciless civil war either steal such food as it arrives or prevent its passage.

Last week, 47 unarmed UN observers arrived to monitor a ceasefire that seems about as likely to be effective as any in ex-Yugoslavia. The difference is that an outside military force would stand a good chance of bringing the Somali civil war to an end, or at the least act as an effective guard for the relief convoys. The argument against sending a force in that the UN should not interfere in the internal affairs of its member states. That did not stop the allies from protecting the Iraqi Kurds. Unfortunately for the Kurds, Somalia, Uncle Sam is disinclined to be the world's policeman, the UN is impotent, and there is no one else to turn to.

Time runs out for the patience principle

Yesterday's interest rate cut in Japan has failed to dispel the gloom surrounding its economy, says Robert Thomson

The reduction in the Bank of Japan's official discount rate on Monday fits into a well established, but unfortunate, pattern. The central bank has cut the official discount rate five times since last July. Each time the cut has convinced investors that the Japanese economy has a serious ailment, but has not done enough to convince them that the authorities know a remedy.

Once again, a cut combined this time with a convincing election win by the ruling Liberal Democratic Party, has failed to inspire the Tokyo stock market, which closed at a six-year low yesterday and looks ready to plumb new depths.

Meanwhile, the LDP, having called an emergency meeting on Friday to discuss the ailing market, has begun to ask what more can be done to stimulate the economy and the stock market. Koichi Kato, the chief cabinet secretary, merely explained yesterday that Japanese "must have patience".

Japanese economic policy over the past two years has been based on the patience principle. There was a general recognition that the speculative financial bubble of the late 1980s should be punctured, but a vague hope among industrial companies and financial institutions that the adjustment would be swift and its effects on the real economy minor. Neither assumption looks plausible.

Recovery was to have come this summer, according to government officials, and then it was the autumn. But Japanese industry and, more significantly, the Bank of Japan, are conceding that an upturn may not arrive until early next year. Of more concern to the stock market is the growing fear that a true recession may be starting.

Japanese companies had presumed that profits this year would increase after a tough 1991. While some companies, such as Brother Industries, the office equipment maker, have announced plans to cut product lines, and securities houses are reducing their staff intake, most companies expected they could avoid sacking staff and scaling down their businesses.

Behind the new-found weakness in the stock market - and the Bank of Japan's recent response - is the realisation by companies that they will have to downgrade profit forecasts. There is also a sense within Japanese industry that profits next year may also be weak, a feeling that prompted the Japan Employers Federation to demand yesterday that the central bank cut the ODR

Japan's economy: pessimistic picture



again, and quickly.

In addition to belated recognition of the weakness of the corporate sector, the Bank of Japan has also taken time to recognise the nature of the timebomb left by the excesses of the 1980s. The banking system is carrying problem loans unofficially estimated to be between ¥2,000bn (\$173bn) and ¥6,000bn, while bankruptcies doubled last year. These figures do not convey the scale of the problem faced by banks forced to support leading clients who invested unwisely in property development or played and lost on the stock market. Banks have propped up clients in the hope that they would soon benefit from economic recovery and be able to trade themselves out of trouble.

However, the recovery has not yet arrived. Several large companies are straining the banks' patience. Toshiba Corporation, for example, the contractor turned developer, which owes about ¥70bn, has negotiated a restructuring package with its main bank, Fuji Bank. But each time the stock market falls a notch lower, Japanese banks' reserves of unrealised gains, an important cushion against bad debts, are eroded. Mr Yasuhiro Mieno, governor of the central bank, has now said that financial institutions must assess on a "case-by-case basis" whether a company should be assisted, implying for the first time that large failures would be tolerated.

The central bank also quietly admitted last week that it had made a second miscalculation. Japanese consumers were to

have provided an engine to revive the economy, by generating increased demand.

But in a quarterly report released last week, the bank noted that the "tempo of personal consumption growth is decelerating". The result of this unexpected trend is that "it is difficult to find any strong leading sector which could boost the economy".

As if to emphasise this point, the Ministry of International Trade and Industry yesterday released figures showing sales at large retail stores in June were down 4.3 per cent on the same month last year.

The net result is that Japan's economic growth will not meet the target of 3.5 per cent for the year to the end of March 1993, and if most private forecasts are correct, will grow by only 2 per cent this year and not much more next year. Meanwhile, Japanese companies, facing slow domestic sales, are increasingly under pressure to increase exports, a trend that will add to the record ¥49bn trade surplus in the first half this year.

These over-gloomer prospects mean that stock market prices are likely to remain under pressure. Mrs. Mineko Sasaki-Smith, chief economist at Credit Suisse Japan, said that, bearing in mind the downward revisions, the market "could overshoot" to 14,000 and recover to 14,500. "People who believe in international convergence of price to earnings ratios say it will fall to 12,000 or even 9,000, but I don't think this is the case."

The likelihood of a continuing drop in stock prices, and the certainty of a decline in corporate earnings mean that the Bank of Japan's work is far from done. Mr Mieno suggested

yet again yesterday that the ODR had been cut for the last time, but before the end of the year the bank may be forced to move again.

Lingering faith in a recovery of stock prices has itself slowed the government and corporate response to the market's continuing decline. Although belatedly, the government is now front-loading public works spending this fiscal year, and in the next month, will finalise a supplementary budget that will increase public works spending by between an estimated ¥5,000bn and ¥8,000bn.

The precise size of the package will be determined by austerity-minded bureaucrats at the finance ministry, who are leaning towards a ¥5,000bn package, while the LDP wants ¥8,000bn. Having comfortably won an election in the upper house of the Diet, the LDP has an opportunity to convince the finance ministry to finalise quickly the supplementary budget soon.

Apart from the budget, however, the LDP is at a loss. At an emergency meeting on Friday night, party and government leaders suggested that insurance companies increase their stock purchases or that the government establish a new stock purchase fund. Neither option looks particularly attractive.

Japan's economy is adrift. Policy-makers seem unable to reverse the tide of pessimism. For this their previous mistakes bear most of the blame. The financial markets' reaction to the latest monetary manoeuvre not only confirms the depth of the pessimism, but will also tend to increase it.



If the peoples and parliaments of Europe say no to monetary union, the architects of Emu will have themselves to blame. Caught up in seeking to understand how monetary union could be made to work, they ceased to ask why one should want it to work.

The mistake was made early on, when the Hanover Summit asked the Delors Committee to propose "concrete stages" that could lead to Emu rather than provide a rationale. It was compounded by the Commission, which produced a cost-benefit analysis of Emu, titled One Market, One Money, but declined to claim that the benefits would exceed the costs. The title was as close as the study came to making a case for Emu.

The Commission's argument for Emu - that one market requires one money - is sound, but the missing steps have to be added. Forming one market and managing one money are utterly different. One market meant deregulation. It did not worry those opposed to strengthening EC institutions and creating new ones. One money goes in the opposite direction. New institutions are needed.

Nevertheless, the single market requires one money, because it requires fixed exchange rates. Floating exchange rates do not prevent free trade or free movements of capital and labour. But they would interfere with the EC's more ambitious forms of integration, including the gradual harmonisation of fiscal systems. When exchange rates are firmly fixed, moreover, and capital is highly mobile, monetary autonomy vanishes. Europe must, therefore, decide whether to make monetary policy the Bundesbank policy, or the Bundesbank policy the EMS, or the European Central Bank under Emu.

That question is often misunderstood. It does not ask whether Europe's policy objectives should differ from those of the Bundesbank, and the ECB Statute is clear on that point. The ECB will pursue price stability, just like the Bundesbank. But it will pursue price stability in Europe, which is different from pursuing price stability in Germany. The president of the Bundesbank, worried about Germany, might have urged the governing council of the ECB to adopt a tighter policy but would have been out-voted.

Is this fantasy? Far from it. The Bundesbank does not aim at price stability in Bavaria or

PERSONAL VIEW

Speaking up for Emu

By Peter Kenen



nominal exchange rates, and the Bundesbank resisted the realignment of national price levels - the two ways to make the D-Mark appreciate in real terms.

The Bundesbank had no choice. It is obliged to resist any increase in German prices. In the process, however, it has punished the European economy for the deficiencies of German fiscal policy and the ambitions of German trades unions.

If the ECB had been up and running, it would have been required to maintain price stability in Europe as a whole but not in each individual country. Hence, it would have been more tolerant of higher German prices and allowed the realignment of price levels to occur automatically.

The president of the Bundesbank, worried about Germany, might have urged the governing council of the ECB to adopt a tighter policy but would have been out-voted.

Is this fantasy? Far from it. The Bundesbank does not aim at price stability in Bavaria or

the Federal Reserve at price stability in Texas. A European monetary policy would not differ in nature from German monetary policy but would differ in domain and thus allow relative prices to contribute to macroeconomic adjustment.

Economists are fond of warning that Europe is not an "optimum currency area". There is not enough labour mobility, and the EC does not have a fiscal system required to make income-stabilising transfers. But that is why price flexibility matters. The EMS resists it; Emu would accommodate it.

Seeking agreement at Maastricht, however, the architects of Emu made mistakes that must be corrected.

For Emu to function more effectively than the EMS, the ECB must be able to make monetary policy for the entire Community, not for the small number of countries that can meet absurdly stringent convergence criteria by 1999. Otherwise, Emu will replicate the asymmetry and rigidity of the EMS, with the ECB pursuing

price stability in northern Europe, and central banks in southern Europe having to follow it, just as they must mimic the Bundesbank now.

The compromise struck at Maastricht - between the French demand for automaticity and the German demand for limited eligibility - is inconsistent with the rationale for Emu.

A strong case can be made for reducing inflation rates and cutting budget deficits before moving on to Emu. Concerns about the impact on the world economy are greatly exaggerated. Those who have them, moreover, should ask themselves what they would recommend to Italy or Greece, with or without Emu.

Nevertheless, countries having high debt levels, such as Belgium, Ireland, and Italy, cannot be expected to reduce them sharply in the few years remaining before the EC must decide which countries can participate in Emu; it may indeed be difficult for them to show that their debt levels are falling "sufficiently" and approaching the arbitrary target level at a "satisfactory" pace without depriving these terms of any meaning.

Europe also needs a coherent fiscal policy. The rules adopted at Maastricht are aimed exclusively at protecting the ECB from the political and market pressures resulting from large national deficits and debts. They cannot be expected to produce an appropriate fiscal stance for Europe - an objective that was emphasised by the Delors report but ignored at Maastricht.

Other matters give rise to concern - the narrow scope for ECB involvement in prudential supervision, the ambiguous division of responsibility for exchange-rate policy, and the operational inefficiencies likely to arise from the requirement that national central banks should be used whenever "possible and appropriate" to conduct the open-market and credit operations of the ECB. These were concessions to jurisdictional jealousies - to national governments in the first two cases and to national central banks in the third. But that explains them. It does not justify them.

These defects can be corrected, however, after the treaty is ratified. Little time is left for the architects of Emu to explain that Europe can live more comfortably with Emu than with the EMS.

The author is professor of economics and international finance at Princeton University.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Oversight on precise Emu date

From Mr Peter Coffey.
Sir, An oversight appears with alarming frequency in reports and articles in your own and in other newspapers and magazines with regard to the final stage of European Economic and Monetary Union (Emu).

One frequently reads that, according to the Treaty on European Union, which was signed on February 7 1992, the third and final stage of Emu will begin no later than 1993.

However, if we examine article 109, stations 3 to 5 (inclusive) of the treaty, we read that it is only if the date for the beginning of the final phase has not been agreed upon by the end of 1997 that it shall start on January 1 1999.

The ministers could, though, decide on July 1 2015, for example. Certainly, if as at present, only two countries, France and Luxembourg, fulfilled the strict criteria for economic convergence and budgeting deficits - as laid down in the relevant protocols - there would be little point in going on to the final stage at any time this century.

There is unfortunately already a precedent for setting down dates for an Emu. In 1970, the six founder member states of the European Economic Community agreed the second and definitive Werner report, which aimed at creating full European monetary union by 1980. Alas, we

Jubilee Line will meet interests of Londoners and taxpayers

From Peter W Corfield.

Sir, Your leader, "Transport in Docklands" (July 23), correctly identified the various components of this complex matter and needlessly lengthy debate. However, in suggesting that the Jubilee Line Extension should be a cost-benefit analysis you are clearly unaware that such an assessment was conducted, in considerable depth, and forms the basis for the Jubilee Line Extension Project. Of significance, one of the major benefits was seen to be the transfer of excess passenger traffic from the Central, District and Circle Lines to the Jubilee Line to the advantage of east-west commuters.

The vexed question of a contribution to costs from the private sector is surely beyond

debate - to my knowledge there is no formal, legally binding agreement between the two parties, although Olympia & York clearly had every intention of honouring its side of the bargain prior to its recent misfortune. The contract, strongly with the arrangements for improving the Docklands Light Railway - to which Olympia & York contributed in cash and kind more than £100m and got, in return, a system that until recently was quite unreliable and which was completed two years later than agreed.

By investing in the Jubilee Line extension, the government will meet the interests of people who live and work in London and will protect the interests of taxpayers at large.

A considerable loss of income to central funds from the unutilised business rates in the Docklands area, ranging from £72m to £190m per year, is the inevitable consequence of cancellation.

By providing the Jubilee Line the government will also be recognising the plight of the east and south-east London communities which, although contributing magnificently to the wealth and status of London for centuries, have been denied proper access to the work and entertainment centres of the capital.

Peter W Corfield.
The London Docklands Business Initiative,
10 Cabot Square,
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London E14

are all too painfully aware of what happened to that attempt.

Peter Coffey.
Aalsmeerweg 113,
1059 AC Amsterdam,
The Netherlands

Need for dose of realism

From Mr M Whitwell.

Sir, Ernst & Young's survey, "Managing in a zero growth economy" appears to highlight a fatal flaw in business strategy, often replicated by the government of the day; that of

over-optimism ("Owner-managers' optimism faulted", July 23). Lord Hanson's and Lord White's philosophy of judging the suitability of an acquisition by assessing the downside risk rather than the potential benefit has much to commend it.

What we need in the UK is a large dose of realism. Until living standards are more closely related to achievable gross national product we will continue to experience economic woes. Clearly we must strive for a fairer society but this must be based on the foundation of living within our means. What we most need is a return to commonsense pay

levels, property values, interest rates and the like which are determined by the UK's economic standing vis a vis that of other countries.

I find it ironic that so many businesses attribute their problems to high interest rates. High labour costs, low productivity and the cost of servicing loans obtained for questionable commercial ventures (often secured against inflated property values) are must more significant.

M Whitwell,
chief executive,
Jordan & Sons,
21 St Thomas Street,
Bristol

Pensions should provide for extreme old age needs

From Mr Denis Cassidy.

Sir, John Authors properly drew attention to "The rising cost of a ripe old age" (July 11). The extreme end of that spectrum is the predicament of people who are old, in over 80, who are now dependent and yet who are not ill in a conventional sense. In most cases the spouse has died, which has either caused or exacerbated the problems of dependence. If they do not have substantial private means, or a substantial occupational pension income, they are obliged to sell their home - a difficult process in

the past three years - to release capital to fund residential fees.

Because of underlying changes in the residential housing market, it is likely that these problems will persist for some time.

It is true that there are some private sector life and health insurers who have launched "long term care policies" but the problem with these is that by the time need is recognised, they have become too expensive in most cases.

There is therefore clearly a need for the requirements of

old age to be considered much earlier and I believe the process should start with providing for the need now while simultaneously trying to educate people to recognise it a potential need for the longer term future. I believe that the most obvious way to do this would be for occupational pension funds to provide for the most extreme cases of need through pension fund benefits which would be funded across the entire company membership.

In simple terms, providing for an exceptional occurrence

by a modest funding rate applied to the whole of the employee population in a way analogous to that of providing for death in service. We should recognise that, although the number of old people requiring care is increasing, it is still a small number who survive beyond 80 and who require full time nursing care.

John Authors' article is a very helpful contribution to an overdue debate.
Denis P Cassidy,
The Boddington Group,
75 Baker Street,
London W1M 1AH

Welcome for Hannam

One man who ought to have earned a mention in dispatches for his role in the Wellcome share sale is 36-year-old Ian Hannam, the man responsible for Robert Fleming's global book building team. Getting an issue of this size away in current conditions would have tested the talents of the best connected merchant bankers.

As it is, Hannam is one of Fleming's most recent recruits. The merchant bank was lucky to catch him on the rebound from Salomon Brothers. There is a suspicion that Fleming, whose capital markets team is good, but not that good, wouldn't have lured the Wellcome plum had it not been for Hannam. He joined for a month's consulting, but somehow just stayed.

Roger Gibbs, chairman of the Wellcome Trust which was selling the shares, says Hannam was "utterly splendid". He dedicated himself completely to the sale over the past few weeks, although on his fourth wedding anniversary last Thursday he did slip out for an hour to see his wife. But will he stay once the loose ends of the deal are tied up? While Hannam didn't look out of place in Fleming's orange and blue "war room", it is less easy to imagine him retreating into his rather dour environment once the excitement has abated. But Lawrence Banks, Fleming's corporate finance chief, is optimistic and says his bank has room for a few oddballs.

Godly Godley

Whatever may be thought of the old style Keynesianism of economist Wynne Godley, he looks bound to leave a more lasting impression than most of his kind.

OBSERVER

In the 1980s his late father-in-law, the sculptor Sir Jacob Epstein, used him as a model for a work for the then newly rebuilt Coventry Cathedral, entitled "St Michael triumphing over the Devil". So which one of the two is he? "You'll be disappointed to hear it's not Old Nick," chirps Cambridge's professor of applied economics. "I'm on the godly side as St Michael, although only his face is mine. His body's an athlete who worked as a quantity surveyor, whose own face was for some reason thought more fitting for the devil."

But Godley's features at least are cast in stone for all time? "Well, bronze actually," he says. "But apart from that, I suppose so. Unless the cathedral gets bombed again, at any rate."

Ruffled feathers

■ Veteran cricket commentator Brian Johnston confessed to being stumped when he discovered a radio station that seemed to be broadcasting nothing but birdsong.

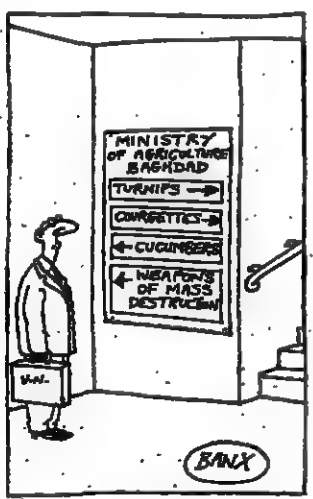
So during a full in Sunday's Test Match special on Radio 3 he asked his startled guest to throw some light on the mystery chorus.

The answer would hardly have provided a crumb of comfort; what Johnston had stumbled across was the test transmissions for Classic FM - the national classical music station to be launched in September and a deadly rival for Radio 3.

Indigestion?

■ As if the prime minister didn't have enough on his plate, yesterday's tasks included doing the seating plan for a dinner to mark the 40th anniversary of the Queen's accession to the throne.

The hosts were all her surviving prime ministers (with the exception of Lord



Home, who was unable to travel from Scotland) and the guests were members of the Royal Family and household.

For starters, where do you put the Prince and Princess of Wales, or Sir Edward Heath and Lady Thatcher? And in these post-Maastricht days, would it be right to put Lady Thatcher on the left of John Major?

Sea bass and summer pudding were on the menu, but like all the best parties the key to success is getting the seating plan right.

Let's hope it was another diplomatic triumph for the prime minister.

Fall from grace

■ Have you noticed how the pecking order in British banking has been reversed?

A year ago Barclays Bank was capitalised at £7.4bn on the stock market, towering above the rest of the Big Four clearing banks. Its position as one of the world's biggest and strongest banks was underscored by its triple-A credit rating.

Now it is the smallest in terms of its stock market capitalisation at under £5bn.

Its value has fallen by a third over the past year.

The Hongkong Bank's takeover of Midland Bank has distorted the rankings, but even so Lloyds Bank, whose balance sheet is less than half Barclays' size, has leaptfrogged it, and is now running neck and neck with NatWest, which used to be Britain's biggest bank before it was knocked off its perch by an aggressive Barclays.

For an institution that is two years older than the Bank of England and prides itself on traditions of integrity and prudence inherited from its Quaker founders, Barclays' recent fall from grace is a rather sad state of affairs.

No doubt it will bounce back.

Tasty morsels

■ Fancy eating a Mel Gibson? Or munching a Madonna?

No, not some form of perverse mastication but the latest in a trend so old it has mould on it: the use of Hollywood as a means of inducing consumers to part with cash.

"Celebrity Sandwiches", a lunchtime venue just opened in London's West End, has cottoned onto the idea that the star-struck just can't get close enough to their heroes and heroines; so why not eat them?

For £3.95 you can tuck into the Ivana Trump: "A luxury you can't divorce, double decker caviar and smoked salmon special."

Surely writs will soon begin to fly, transatlantic-wise?

Ripe

■ What do you call a French lawyer's an pair glitz?

Avocado pear.

UK government criticised over handling of economy

By Andrew Taylor, Ivo Dawnya and Terry Byland in London

THE UK government's handling of the economy was severely criticised yesterday as leaders of Britain's hard-hit building industry warned that a further 40,000 jobs could be lost by Christmas.

Share prices on the London stock exchange fell again as concern continued to mount about the effect of the recession on a large number of industrial and commercial companies.

The FT-SE 100 index of leading shares dropped 29.3 to 2,348.0.

Since April 8, the day before the general election, the index has fallen by 45.2 points, since peaking on May 11, it has fallen by 38.8 or 14.2 per cent.

On the foreign exchanges in London yesterday, the pound

closed at DM2.6430, more than half a pence below the previous close but above last week's lows.

A survey of 600 construction companies by the Building Employers Confederation, the UK industry's biggest trade association, revealed that almost a fifth of those questioned were working at less than half capacity.

Two thirds of companies expected workloads to fall in the next 12 months. Almost half expected to have to shed jobs in the next three months.

Sir Brian Hill, federation president, said the building industry had already lost 250,000 jobs since the middle of 1989. He added: "We are in favour of strong medicine to beat inflation, but it is no use if the patient dies in the process."

He warned that recovery in the construction industry would not

occur until late next year, and probably not until 1994. He appealed to the chancellor of the exchequer to stimulate the housing market to encourage greater confidence among consumers and help lead the country out of recession.

More gloomy economic news is expected today when the Confederation of British Industry publishes its industrial trends survey. The government also is likely to face further criticism when the Council of Mortgage Lenders is expected to announce tomorrow that more than 30,000 homes were repossessed during the first six months of this year.

Mr Gordon Brown, the newly appointed shadow chancellor, yesterday launched what the Labour opposition promises will be a summer of harrowing attacks

by charging the government with "a fundamental neglect of duty" by failing to take steps to bring the economy out of recession.

He said: "Action is needed immediately to end the fear of unemployment which is stopping people from spending, from moving home and from bringing about the economic recovery."

Mr Paddy Ashdown, the leader of the Liberal Democrats, in an open letter to Mr John Major, reminded the prime minister that he had claimed in January that home repossessions had been brought to an end.

Downing Street brushed aside the attacks, pointing out that two large building societies were reported to be planning mortgage rescue schemes.

London stock market, Page 23

Japanese cut in interest rates fails to impress

By Robert Thomson in Tokyo

THE Japanese government signalled its disappointment last night that a cut in official interest rates had not helped the ailing stock market. The Nikkei average surged soon after opening yesterday but closed 124.48 lower at 15,373.34, a six-year low.

Mr Tsutomu Hata, finance minister, was quick to welcome the cut, made before the markets opened, as "a timely and appropriate step".

Mr Koichi Kato, chief cabinet secretary, said the government had hoped that the Bank of Japan's reduction in the official discount rate from 3.75 per cent to 3.25 per cent would encourage the market. However, he said a recovery in share prices might only come in the "longer-term".

Mr Yasushi Mieno, central bank governor, said the reduction was necessary to stimulate capital investment and consumer spending. He emphasised that the cut was not intended to support the stock market but timed to precede a supplementary budget.

While Mr Mieno said the bank would be unable to reduce the ODR much below the present 3.25

per cent, the lowest level since October 1987, Mr Takeshi Nagano, president of the Japan Employers' Federation, said the rate must be cut again. He said the central bank and government had been too slow to respond to the economic downturn and that another rate cut should come quickly. Mr Koiso Sakai, chairman of the Osaka Chamber of Commerce, urged the government to consider a cut in income taxes.

The government plans to hold a special session of parliament early next month to finalise the supplementary budget, which it hopes will rekindle the economy.

Another sign of the weakening of consumer demand came yesterday when the Ministry of International Trade and Industry released statistics for large retail stores showing national sales in June 4.3 per cent down on the same month last year.

The central bank had hoped that personal consumption would be the engine for recovery, and signs that demand was weakening are believed to have prompted the latest rate cut.

Editorial Comment, Page 12; Patience principle, Page 13



Central bank governor Mieno: stimulating investment

Japanese brewer buys UK chrysanthemum producer

By Philip Rawstorne

AFTER CARS and consumer electronics, Japanese enterprise has turned to a new international business - growing chrysanthemums.

Japan's national flower - symbol of the country's most exclusive order founded by Emperor Meiji in 1877 - has been chosen for aggressive worldwide development.

Kirin, Japan's leading brewer, yesterday announced that it had bought Britain's biggest breeder and grower of chrysanthemums, Southern Glasshouse Produce (SGP), for £2.6m (\$3.8m).

The brewer diversified into biotechnology about 10 years ago, and its researchers have been engaged in developing new varieties of vegetables and flowers as well as new pharmaceuticals.

Kirin is already established in

Japan's flower markets, and since 1986 has been SGP's partner in a venture to breed new varieties of chrysanthemum.

The SGP group, a family-owned company based in Fareham, Hampshire and founded in 1958 by Mr Emrys Lloyd, a horticulturist, sells more than 14m of chrysanthemum cuttings and blooms a year.

It produces cuttings in the Canary Islands and the UK for chrysanthemum growers around the world, notably in Colombia, which grows a billion blooms a year for the US market. Japan, the Netherlands, Israel and New Zealand.

Blooms for the UK chrysanthemum market, worth an estimated £130m in retail sales, are grown under 100 acres of glass in Hampshire and Sussex.

Mr Barrie Machin, one of the world's leading chrysanthemum

breeders, heads the group's research team. Its aim is to produce plants resistant to disease and low temperatures, with blooms of varied colours and petal arrangements.

Its successes include the spray chrysanthemum, known to the Japanese as *chrysanthemum*, which produces 5-10 flowers on one stem and has boosted the flower's popularity for domestic decoration.

Kirin's and SGP's breeding technologies will be combined to develop new varieties which will be marketed internationally. The flower is likely to move further from its more humble relatives, the corn marigold, feverfew and tansy.

However, Kirin is unlikely to pursue the ultimate technical goal: production of a blue chrysanthemum, which has so far evaded breeders.

Threat to trade deal

Continued from Page 1

tion on the US-Mexican border had led to environmental degradation and poor living conditions. But a properly drafted agreement could create jobs on both sides of the border and improve living conditions, he insisted.

Negotiators have worked hard in recent months to try to conclude a pact.

Congress last year voted to give the Bush Administration so-called "fast-track" negotiating authority for Nafta. This means the pact could not be amended as it made its way through the House and Senate. But Mr Gephardt said the changes he wanted could be written into the implementation legislation.

Mr Gary Edson, acting US trade representative, dismissed Mr Gephardt's proposals. "The greatest cost for labour and environment in free trade would be the failure to achieve it," he said.

Famine stalks the forgotten Somalis

Continued from Page 1

woman in rags pulls out her withered breast, points to the waiting baby in her arms and puts her hand to her mouth, begging aid workers for food.

A mother shows the scarred hand of her child burnt because the boy was too hungry to wait for his high protein porridge to cool before he dug his hand in.

Most of the original inhabitants of Baidoa fled to Mogadishu during the height of the war. People whose livestock and grain

stores were looted and destroyed by marauding soldiers take shelter in the bombed out buildings. Children are so exhausted by the long trek to town that they die in the ruined houses before they can reach a feeding centre.

Those that make it face an uncertain future in a town struggling to exist. The water and electricity plants were looted and destroyed by departing troops of former dictator Siad Barre. Water is now carried around the city in donkey drawn

carts but it is seriously polluted by people washing and defecating near the town's spring.

In recent days, Mr Boutros Boutros Ghali, the United Nations' Egyptian secretary-general, angrily accused Security Council members of ignoring the Somali plight.

Meanwhile, in Baidoa's only hospital nurses try to force open the teeth of an infant to force-feed it a rehydration formula. "This one isn't going to make it," says a doctor.

The hospital, treating infected

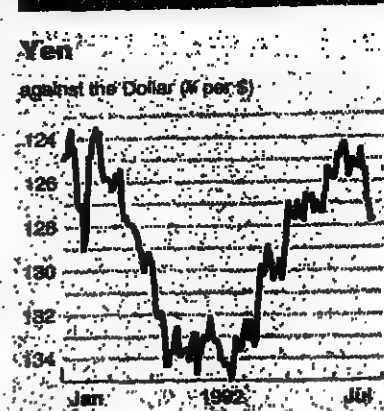
bullet wounds as well as children in the final throes of malnutrition, is desperately short of IV fluids, antibiotics, oral rehydration salts and glucose.

Relief workers believe the tragedy could be stopped from escalating if the world turned its attention to the suffering. If much greater quantities of food and medicine are not airlifted urgently to towns like Baidoa, tens of thousands of starving people will attempt the long and desperate walk to Mogadishu with fatal results.

THE LEX COLUMN

Too little, too late

FT-SE Index: 2348.0 (-29.2)



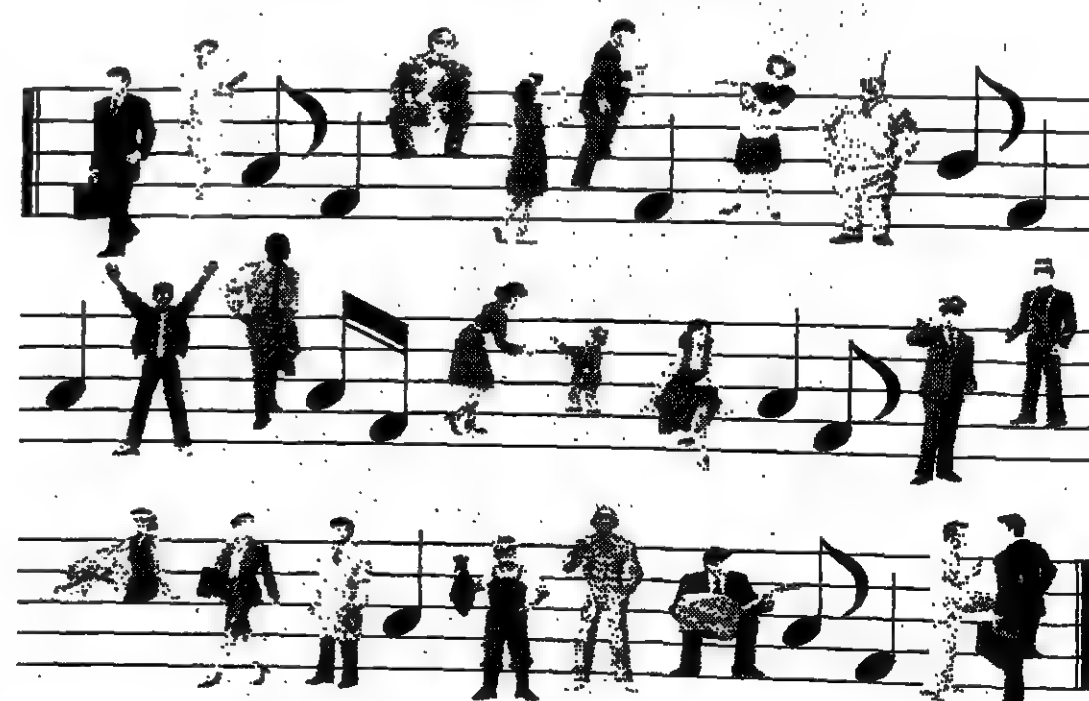
able buyer. But if the market moves decisively lower, holders may well reflect that since the advisers cannot support the 800p level for ever, it might be as well to beat the rush. Then again, a rise above 900p would soon run into unloading of loose stock. But fundamentally, Wellcome cannot be that expensive. Unusually, its forward multiple is now lower than Glaxo's.

UK market

The really depressing thing about yesterday's fall in UK equities is that it happened in isolation. In the previous week or so, London had responded along with other European bourses to anxiety about German interest rates. But yesterday continental equities went up, sterling opened stronger against the D-Mark and UK money market rates fell back. In addition, the Bank of Japan did its best by cutting the discount rate. The Wellcome issue was at least a qualified success and Wall Street opened higher. The FT-SE only lost 29 points on the day.

The only rational explanation is that investors have become terminally gloomy about the UK corporate sector itself. Of the 100 stocks in the FT-SE, 17 now yield over 8 per cent, a level at which the security of the payment is being seriously questioned. The list covers oil, steel, food, building materials, aerospace, hotels, shipping, retailing, banking and insurance. All the companies involved are by definition big and relatively successful. There are, for example, no construction companies on the list. This is because there are no construction companies left in the FT-SE.

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*Fortune Magazine, August 1991.



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World Weather			°C °F			°C °F			°C °F			°C °F			°C °F							
			Boulogne	S	19	66	Frankfurt	F	20	66	Managua	S	29	84	Oran	S	22	72	Tenafra	S	23	77
			Brussels	S	21	70	Geneva	F	22	72	Malaga	F	27	81	Oran	F	22	72	Tripoli	S	34	93
Agadez	S	23	Buenos Aires	S	21	69	Geneva	F	22	72	Marfa	S	29	84	Oran	F	22	72	Tripoli	F	19	66
Alger	S	23	Buenos Aires	S	21	69	Geneva	F	22	72	Marfa	S	29	84	Oran	F	22	72	Tripoli	F	19	66
Amsterdam	S	22	Cairo	S	33	91	Helsinki	F	21	70	Medan	S	11	52	Raykjavik	S	13	56	Vladivostok	S	14	57
Antwerp	S	22	Cape Town	S	16	61	Hong Kong	S	28	82	Medan	S	11	52	Raykjavik	S	13	56	Vladivostok	S	14	57
Bahia	S	28	Chennai	S	31	88	Hong Kong	S	28	82	Medan	S	11	52	Raykjavik	S	13	56	Vladivostok	S	14	57
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Dallas	F	22	Columbus	F	31	88	Islamabad	F	21	70	Medan	S	11	52	Raykjavik	S	13	56	Vladivostok	S	14	57
Dhaka	S	31	Columbus	F	31	88	Islamabad	F	21	70	Medan	S	11	52	Raykjavik	S	13	56	Vladivostok	S	14	57
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Tuesday July 28 1992

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INSIDE

Norsk Hydro results below expectations

Norsk Hydro, Norway's biggest listed company, yesterday reported a NK244m (\$36.6m) fall in half-year net income to NK768m, in spite of gains on foreign currency and from the sale of securities. Its performance was well below market expectations. Uni Storebrand, Norway's biggest insurer, has posed more questions about its future than provided answers following the surprise appointment of Mr Per Terje Vold as interim president after the departure of Mr Jan Erik Langangen, president and chief executive. Page 17

Milan in the doldrums

The killing in Palermo of a second, leading anti-Mafia judge in as many months and the Italian state's clumsy handling of the liquidation of the state holding company Elin triggered an 8 per cent decline in the debilitated Milan stock market last week, taking its fall since the start of 1992 to 18.9 per cent. Back Page

Capital news from the SEC

The Securities and Exchange Commission is expected to rubber stamp proposals today making it easier and less expensive for small US companies to raise equity and debt capital. The agency has been to the SEC, unveiled in March, introduced quickly because it is concerned about the credit crunch facing small companies in need of capital. Page 18

The Securities and Exchange Commission is expected to rubber stamp proposals today making it easier and less expensive for small US companies to raise equity and debt capital. The agency has been to the SEC, unveiled in March, introduced quickly because it is concerned about the credit crunch facing small companies in need of capital. Page 18

Bullough falls 18%

Bullough, the UK office products and refrigeration group fell 18 per cent, blaming the prolonged and deepening recession in the UK and France. For the six months to April 30, pre-tax profits fell from £7.1m to £5.9m (\$1m) on sales of £132.7m, down from £141.4m. Mr Derrick Battle, chairman, warned that profits for the full year would be lower than the £20.8m achieved last year. Page 18

Ghana goes for gold revival

A \$165m syndicated loan is being finalised that should enable Ashanti Goldfields of Ghana to expand production and join the relatively exclusive band of companies that each produce more than 1m troy ounces of gold a year. Ashanti's production boost is part of a gold mining renaissance in Ghana since a new Minerals Code was enacted in 1986. Page 22

Treuhander names bidders

The Treuhander agency, the body handling eastern German privatisations, said two large European groups were contending to take over one of the largest chemicals operations in the region. Page 17

Market Statistics

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Chief price changes yesterday

FRANKFURT (DM)		Austl Entrpr		600 + 20	
Rieser	775	+ 10	Dagbl	235	+ 10
Asda	785	+ 10	Forc Lyonnais	280	+ 28
Bel & Berger	920	+ 10	Intechologies	720	+ 30
AS Ind & Vark	915	+ 20	Polio		
Holzmann Ph	1910	+ 10	Polio	480	+ 35
Rheinland Ind	270	+ 12.5			
NEW YORK (\$)		TOKYO (¥)		1000	
Rieser	414	+ 1/2	Le	13	+ 2
IMC FuelCell	473	+ 1/2	Tachikawa	2400	+ 220
Johnson & Jon	473	+ 1/2	Daigo	544	+ 77
Intert	397	+ 1/2	Nippon Carbon	410	+ 40
Shimizu	397	+ 1/2	Nippon Col Mfg	270	+ 25
Novel	52	+ 2	Tokyo Electric	450	+ 50
PARIS (FFP)					
Rieser	750	+ 19			
LONDON (Pence)					
Elf	80	+ 4	Harrods & Co	122	+ 4
Elf	130	+ 4	Leasing	211	+ 18
Magmatic Mats	61	+ 7	London Int	171	+ 10
Nu-Swift	32	+ 10	Merrydown Wine	353	+ 25
RPS	32	+ 10	Proline Int	301	+ 24
Sater	98	+ 4	Reed Int	474	+ 28
Wille	84	+ 6	Reed Int	368	+ 28
Wille	26	+ 23	Ti Group	293	+ 13
Wille	114	+ 21	Ti Group	293	+ 13
Wille	125	+ 25	Ti Group	293	+ 13
Wille	230	+ 11	Wellcome	800	+ 25
Wille	120	+ 23	YIM	56	+ 8

Dasa joins race for Bae space unit

By Daniel Green in London

DEUTSCHE AEROSPACE (Dasa), a subsidiary of Daimler-Benz, Germany's largest industrial group, said yesterday it had joined the race to buy British Aerospace's loss-making satellite business.

The news is a blow to GEC, whose joint venture with Matra, of France, Matra-Marconi, has been in talks with Bae since last year to acquire the space division. Bae and Matra-Marconi are long-standing partners in the space industry and their talks

were close to completion.

It appears they planned to announce the joint venture at the Farnborough air show in September. Senior executives at Matra-Marconi said yesterday Dasa's entry had delayed its merger plans indefinitely.

"The timing does not now depend on us, it depends on British Aerospace," said Matra-Marconi. "Dasa has made an offer, but we don't know what the decision is."

British Aerospace confirmed it was in talks over the future of its

space business but would not say with whom. It said the unit was not up for sale, but it wanted a partnership or joint venture.

However, Dasa said: "British Aerospace is selling the division entirely. We are looking at what they have to offer."

Bae makes satellites, their components and ground control equipment, but the operation is small by world standards. Bae does not reveal sales figures for its space business, but Dasa put the figures at about £150m (\$236.5m) a year. It has received no new satellite

orders since last year and last month it halved its satellite-making capacity with the loss of up to 60 jobs. It blamed the loss of an order for a Japanese satellite.

But, it emerged yesterday, the industry interpreted that move as preparing the company for disposal. By cutting costs, the satellite business would be more attractive to a potential partner or buyer.

If Dasa secured the Bae arm, it would probably merge it with Space Systems/Loral of the US, in which it has a 12 per cent stake. Dasa paid £57m for the Space

Systems/Loral stake last month to join other European shareholders Alcatel and Aerospaciale of France and Alenia of Italy. The company is controlled by Loral, the US defence contractor.

Dasa is also considering the future of the space activities of Fokker, the Dutch aircraft maker it agreed to take control of last week. Fokker makes control and power equipment for satellites, but the business is small, Fokker said yesterday.

Bae faces increasing competition in a \$1bn a year industry dominated by US suppliers.

Goodyear reports record net income

By John Griffiths in London

GOODYEAR Tire & Rubber, the only surviving large US-owned tyre company, signalled an end to the recession that has gripped the industry for the past two years by reporting record second quarter net income of \$109.7m, or \$1.54 per share, on sales of \$3.1bn.

The figure for Goodyear compares with net income of \$22.5m, or 38 cents per share in the 1991 period. It lifted profits for the first half of the year to another record \$176m, or \$2.48 per share, on sales of \$5.6bn.

Mr Stanley Gault, chairman, attributed the improved results to new marketing strategies, production efficiencies, improved cost controls and lower raw material costs. The former GEC senior executive, who has just completed his first year in office, is widely credited with masterminding a "cultural revolution" by transforming work practices. Mr Gault said Goodyear had increased its share of the US replacement tyre market, while benefiting from a slow but steady increase in US vehicle production.

The tyre industry - which has a \$53bn annual turnover - made \$1bn collective losses in the past two years but could earn profits exceeding \$1.5bn next year, according to a study by the Economist Intelligence Unit.

Excluding sale proceeds and charges associated with continuing restructuring of Goodyear's global operations - it employs 97,000 worldwide - the company's operating margin improved to 10.1 per cent in the second quarter from 7.2 per cent a year earlier, and to 9.2 per cent in the half-year, up from 6.2 in the year-ago period.

Consolidated debt has fallen to \$3.5bn from \$3.7bn in the first quarter of last year, reducing Goodyear's debt to debt-plus-equity ratio to 46.4 per cent from 66.1 per cent a year earlier.

The second quarter figures include an after-tax gain of \$8.3m, or 12 cents a share, from restructuring.

Tyre and related sales rose to \$2.5bn in the quarter from \$2.3bn a year ago, and to \$4.8bn for the half year, up from \$4.3bn. Operating income was \$231m (\$157.7m) for the quarter and \$417.6m (\$220.6m) for the first half. Worldwide unit tyre sales rose 13.5 per cent in the half. In New York, Goodyear shares rose 5% to \$63.75 in early trading but closed at \$62.25, down 8%.

Wellcome share sale a windfall for research

By Clive Cookson, Science Editor

The Wellcome Trust will double its spending on medical research by reinvesting the £2.16bn (\$4.1bn) raised from the Wellcome share sale in higher yielding securities. The extra income could support up to 2,000 additional scientists and support staff, working mainly in the UK.

The trust's projected income for next year - £220m - will match that of the UK government-funded Medical Research Council.

"The Wellcome Trust intends to fund more scientists for the long term, includ-

ing whole careers," said Dr Bridget Ogilvie, its director. "It will offer better working conditions, with support for new centres of scientific excellence and funding for whole teams of researchers and technicians together with the latest equipment."

To celebrate the success of the sale, the trust announced a series of spending initiatives yesterday. They include a £50m contribution over five years to a new genetic research institute. It will house 300 scientists and technicians, working under the direction of Dr John Sulston as part of an international effort to decode all 100,000 human genes. (The institute's name has been decided - it will be called

the Sanger Centre after Dr Fred Sanger, winner of two Nobel Prizes - but its location is still under discussion.)

The trust also showed that, with its new financial strength, it will be able occasionally to reverse the brain drain. It announced a £3m grant to bring a leading US immunology research team to the UK. Prof Douglas Fearon and six colleagues will move from Johns Hopkins University in Baltimore to Cambridge University.

Dr Ogilvie said the trust was spending £50m to renovate its London headquarters, originally built in the 1930s. Trust officials were previously reluctant to disclose the cost of the refurbishment for

fear of provoking calls from scientists that the money would be spent better on research. The building, which is due to re-open early next year, will contain a new Centre for Medical Science and History.

Dr Ogilvie said Sir Henry Wellcome (1853-1936), the trust's founder, "was the showman of his age. He would have been thrilled to bits to see his building used in the way he had intended." The trust will hold meetings with universities and medical charities later this year to plan its expansion in more detail.

Observer, Page 13; Lex, Page 14; Market Report, Page 23

Taking a leaf out of book-building

Sale's success owed much to method of judging demand, writes Maggie Urry

The global sale of shares in Wellcome must be considered a success, even a remarkable one.

For Wellcome Trust to raise £2.1bn (\$4bn) when the London market has fallen 13 per cent and the Japanese market 18 per cent over the past three months, is a notable achievement. The value of the Wellcome shares sold to the US alone exceeds \$1bn putting it among the top 10 share offerings recorded there.

It is undoubtedly the case that a £2bn-plus issue - the largest non-privatisation share sale ever - could not have been done using a traditional UK format. Three weeks ago a £2bn deal could not have been underwritten, or at least not at a price approaching the 800p finally set.

Institutions will never forget the disaster of the £7.2bn BP sale in 1987, where the price was fixed and sub-underwriters signed up two working days before the stock market crash.

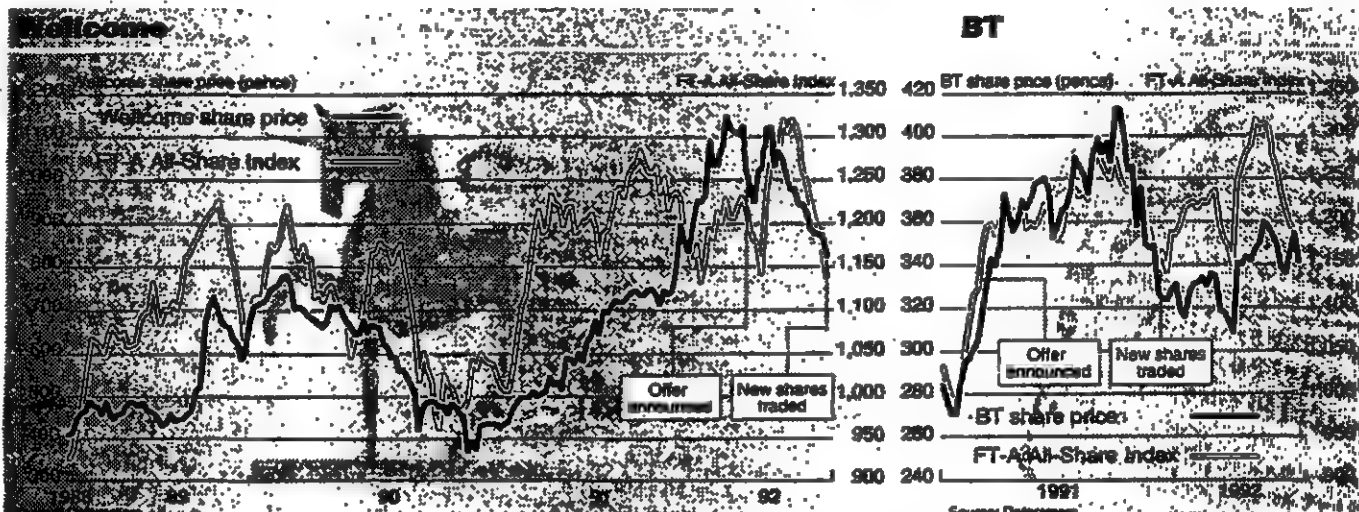
The Wellcome sale is thus also a triumph for the book-building method used to determine the level of demand for the shares at various prices.

Formal book-building has been in common use outside the UK and practised informally in London, but it only made its UK debut in the £2.4bn BT sale last December when the government sold its remaining 49 per cent stake in the company.

Mr Lawrence Banks, head of corporate finance at Robert Fleming, the bank which ran the global tender offer, said the success of the book-building method was not limited to a bull market - it proved an even better tool in a poor market.

Every day the bank could see how the selling efforts were proceeding and act accordingly. For example, last Thursday, the day before the tender closed, the deal was under great pressure. The trust announced it would not sell shares below 800p, a move which focused investors' minds on where to pitch their bids.

Finally, Fleming's computer could draw a price/demand curve showing how many shares could be sold at various levels, enabling the trust to decide whether to sell fewer shares at a higher price or more at a lower one.



The sale took book-building on the BT sale. In that issue, two-thirds of the shares were sold to retail investors through a relatively normal offer for sale, although the price was set by the institutional tender.

Fleming prepared a level playing field across the world, with near total flexibility on how shares could be allocated to different syndicates.

While the UK and US syndicates found more than enough demand to reach their pro-

trust never said it would sell the full amount possible, only that it wanted to cut its stake to below 50 per cent. It has achieved that, reducing its holding to 42 per cent.

In June the size of the sale was indicated at 300m. To the extent that only 370m shares have been sold, the outcome is worse than hoped. There were bids for 300m shares, even though the possibility at lunchtime on Friday of hostilities breaking out in Iraq put a damper on the final day. Mr Gibbs believes.

The price of 800p is a disappointment. "Of course we would have liked to have got a higher price. But in these markets it was not practicable," said Mr Gibbs.

And, he points out, since the trust sold its first 25 per cent tranche in 1986 at 120p the company's share price has exceeded 800p for only the past eight months.

When the share price reached its high early this year the historic p/e ratio was approaching an exaggerated 40. On these measures, the sale price is still a good one.

But for the market's fall over the last week of the tender period, Mr Gibbs reckons the issue price could have been 30p higher. And without the activities of short sellers - who drove the price down and profited by buying back at lower levels - another 30p could have been added.

Mr Gibbs is generous in his praise of the banks and brokers who worked on the sale. Eye-brows were raised when Fleming was first appointed to run the sale.

"Fleming was considered to be a most extraordinary choice," admitted Mr Gibbs. He said Fleming handled the Wellcome nota-



Roger Gibbs

ional allotments. Interest in some areas was weak. In the end less than 1m shares were sold into Canada, while Germany and France also produced a lower than expected response. Critics may carp that the trust had originally hoped to raise £4bn or more by reducing its stake in the pharmaceutical company to 25 per cent and that the outcome therefore represents a flop. However, Mr Roger Gibbs, chairman of the trust, said the

Report queries Richmond flotation

By Peggy Hollinger in London

INVESTORS in Richmond Oil and Gas, which has seen its shares plummet from a peak of 175p to last night's 6p, may have been misled in the weeks following the company's 1989 flotation, according to a preliminary report by Price Waterhouse.

The report, commissioned by authorities in Jersey pursuing a local complaint, has sparked a Serious Fraud Office investigation into the company's share dealings.

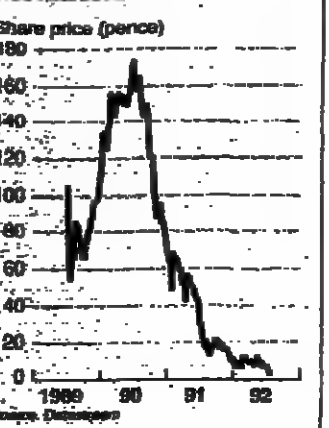
In the course of its investigation, Price Waterhouse has discovered what appears to be evidence of a "circle of funds". The

accountancy firm suggests this gave the impression that the sub-underwriting for Richmond's offer was fully financed.

According to Price Waterhouse, various amounts of money totalling £16m (\$31m) were pumped repeatedly around the circle via three bank accounts in the 10 days after the flotation's closing date. The circle appears to have been "kick-started" with funds client accounts at Bryant & Co, a Jersey accountant.

Richmond was floated at 105p in July 1989, for a value of \$68m. Only 12.2 per cent of the shares were taken up, and they closed at 6p on the first day. Details, Page 29

Richmond



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INTERNATIONAL COMPANIES AND FINANCE

Indocement soars 23% to Rp138bn

By William Keeling in Jakarta

INDOCEMENT, Indonesia's dominant cement producer, yesterday announced net profits of Rp138bn (\$67.5m) for the first half to June, up 23 per cent on the year-earlier period. Sales tonnage for the six months to June reached 4.37m, up 31 per cent. Indocement has a total capacity of 9.4m tonnes per year, equivalent to 52 per cent of national capacity.

The company, which achieved operating margins of 43.3 per cent in the period, forecasts net profits for the year of Rp326bn, including contributions from acquisitions

announced last month of food and property interests totalling Rp1.720bn.

Indocement is to hold an extraordinary meeting today to approve the purchases. Some brokers are concerned that the acquisitions are non-quoted companies from the Salim Group. The group, of which Indocement is part, is a loose collection of companies in which Mr Soedono Salim, reputedly Indonesia's richest person, is a leading shareholder.

Morgan Grenfell (Asia), in a letter supporting the proposed acquisitions and contained in a circular to shareholders, has

expressed its preference "for a more prudent financing structure" for the acquisitions.

The acquisitions are to be financed from Rp400bn of Indocement's cash, \$300m in promissory notes and up to Rp500bn from a Bank Central Asia (BCA) facility. BCA is also part of the Salim Group.

Indocement's net gearing will rise from 11 per cent prior to the acquisitions to 127 per cent. Brokers are concerned that the company, which is trading at 24 times earnings, may make a rights issue, although Indocement denies plans to issue new equity.

Mr Liem Sioe Liong, the

leading Indonesian-Chinese businessman, has been appointed deputy chairman and director of Singapore Land, one of Singapore's main property companies, Kieran Cooke reports. It is believed to be the first time Mr Liem has agreed to any public management role in Singapore.

Last year Mr Liem's Singapore registered KMP private company bought a controlling stake in United Industrial Corp (UIC), Singapore Land's parent company. The United Overseas Bank, one of Singapore's four big banks, is also a shareholder in UIC.

Australian mines cut holdings in Pasminco

By Kevin Brown in Sydney

NORTH Broken Hill Peko (North) and CRA, the Australian mining groups, yesterday announced the partial unwinding of their aggregate 80.6 per cent shareholding in Pasminco, the lead and zinc group.

Pasminco also warned its net loss for the year to end June will be higher than the 1990/91 net loss of A\$47m (US\$35.3m), in spite of significant cost savings.

North and CRA said they would reduce their 40.3 per cent shareholdings in Pasminco to 20 per cent and 31 per cent respectively. Both said they would maintain shareholdings of at least 19.9 per cent for two years.

The shares were placed with brokers in London and Australia at A\$1.33 a share, compared with Friday's closing price of A\$1.56. The sales will yield a book profit of A\$195m for North and A\$89m for CRA.

North and CRA said they would jointly provide a subordinated shareholder loan facility of A\$100m to relieve pressure on Pasminco to strengthen its balance sheet by disposing of assets. The share sales signal the end of the joint commitment to Pasminco by North and CRA, which formed the company in 1988 by merging their lead and zinc mining and smelting interests.

However, CRA indicated it may move to take control of Pasminco at a later date. The group said it had reduced its shareholding to 31 per cent only to avoid being required to consolidate Pasminco into its group accounts.

Pasminco's profit warning follows a net loss of A\$84m for the six months to December, which increased to A\$118m after redundancy costs of more than A\$2m and a write off of A\$81m on the Elura mine in New South Wales.

In its fourth-quarter production report, Pasminco said it continued to operate at a loss in the second half, although the loss was primarily caused by depressed metals prices in the first three quarters.

The group said the bottom line loss for the full year would include a A\$12.5m settlement with the Australian Taxation Office, which will be treated as an abnormal item.

Pasminco said production of refined lead and zinc rose 3 per cent over the year, exceeding the record production achieved in 1990/91. But mine production was lower, largely on a fall in activity at Elura.

The group said it was still trying to sell Elura and its smelter and alloying plant in the UK, as part of a debt-reduction programme. But it said the sales would be deferred if the present difficult market conditions made it impossible to achieve sales at acceptable prices.

Boeing warns on income as aircraft deliveries slip

By Martin Dickson in New York

BOEING, the world's leading manufacturer of commercial aircraft, yesterday reported flat second-quarter earnings and predicted lower income in the second half of 1992, due to a drop in aircraft deliveries and high development spending on its new 777 airliner.

The Seattle-based company reported earnings of \$453m, or \$1.33 a share, compared with \$454m, or \$1.52 a share, in the same period of last year.

Sales totalled \$7.82bn, compared with \$7.81bn, while R&D spending was \$455m, up from \$338m. Both these results and the full-year forecasts were

broadly in line with market expectations.

The company noted that although the second-quarter figures were little changed from last year, the latest period included a significantly higher level of R&D expense, offset by improved cost performance.

Boeing's forecast second-half dip in earnings is due in part to the soft aircraft market, which means it is cutting its production of 737 jets from 21 to 14 a month. In addition, 34 of the 61 747 jumbo jets due for delivery this year were handed over to customers in the first half.

Yet despite warnings from aircraft industry pessimists, Boeing's firm backlog of orders

has been holding up and totalled \$91.9bn at the end of June, compared with \$92.8bn at the end of December.

The company said reduced second-half deliveries, together with high R&D expenses, would result in lower second-half sales and earnings, although it was still forecasting 1992 revenues of \$29.5bn and R&D spending for the year of around \$1.8bn. Cash flow would be negative for the balance of the year.

For the first six months, Boeing reported net earnings of \$894m, or \$2.62 a share, on sales of \$15.8bn, compared with earnings of \$763m, or \$2.22 a share, on sales of \$13.9bn in the same period of last year.

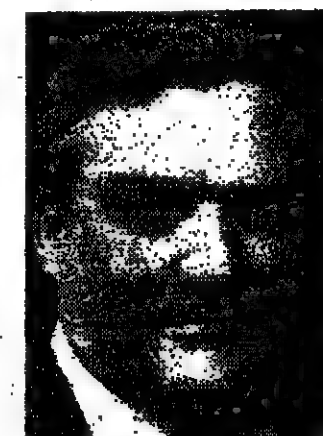
NY Daily News battle intensifies

By Alan Friedman in New York

THE TWO rival offers for The Daily News, the New York tabloid acquired in March 1991 by the late Mr Robert Maxwell, will be the subject of a fresh round of discussions this week, amid signs that the battle is intensifying.

Mr Conrad Black, the Canadian publisher who owns The Daily Telegraph in London, will be in New York today for negotiations with trade union leaders, creditors and the newspaper's management.

Mr Mortimer Zuckerman, the New York-based owner of US News and World Report magazine and The Atlantic Monthly, will also hold talks today with members of the Daily News creditors' committee. Mr Zuckerman has met previously with union leaders as well as mem-



Conrad Black: In New York today for negotiations.

bers of the newspaper's management.

A New York bankruptcy court recently extended until the end of this month the deadline by which The Daily News

must file a reorganisation plan under Chapter 11 of the US bankruptcy code. The newspaper filed for Chapter 11 protection from creditors last December.

The July 31 court deadline could be extended once more, if, as expected, the complex negotiations drag on.

Although no clear favourite has emerged from the talks, Mr Zuckerman is understood to have presented himself to union leaders as the more New York-oriented and hands-on of the two prospective bidders. Securing the support of the 12 unions involved will be crucial in winning control of the newspaper.

"We are continuing our negotiations and we intend to meet the creditors," Mr Zuckerman said yesterday. He stressed that key decisions by the various parties had not yet been made.

Chevron earnings fall 9% while revenues improve

By Karen Zager in New York

CHEVRON, the US oil and gas group, yesterday posted a 9 per cent decline in reported net income to \$360m on revenues of \$10.6bn, compared with income of \$394m on revenues of \$9.7bn the previous year.

Earnings were mired by a number of special items which reduced income by \$39m in the latest quarter. A year earlier, Chevron had extraordinary gains of \$120m.

The company said its underlying net income rose 47 per cent in the latest quarter, reflecting stronger crude oil prices and a sharp drop in operating expenses.

Earnings per share eased 5.5 per cent to \$1.03 from \$1.08.

Chevron is still feeling the impact of a significant restructuring programme. During the second quarter, Chevron recorded employee severance and relocation provisions of \$92m after tax, which was partly offset by favourable pre-

vious-year income tax and other adjustment and asset sales gains.

Earnings were lifted by an improvement in average crude oil prices to \$17.17 a barrel in the quarter from \$16.80 last year. In addition, natural gas prices rose about 11 per cent to \$1.47 per thousand cu ft. Operating expenses declined by more than \$4-a-barrel.

Domestic exploration and production brought in earnings of \$123m in the quarter, compared with \$70 a year ago.

International exploration and production earnings fell to \$172m from \$312m. Last year's figures included gains of \$80m from asset sales and favourable tax adjustments. Chevron benefited from foreign exchange gains in the latest quarter, which brought in \$64m, compared with a loss of \$18m from foreign currency translations a year earlier.

Chevron noted that US sales margins remained low in the latest quarter.

Inco dips into red on low metal prices

By Robert Gibbons in Montreal

LOWER prices for nickel and precious metals and lower deliveries offset improvements in Inco's cost performance in the second quarter and first half of 1992, leading to losses after preferred dividends.

The western world's biggest nickel producer posted second-quarter net losses of US\$1.5m or 3 cents a share, against profits of \$30.3m or 28 cents a share a year earlier. Revenues were \$698m against \$808m.

The first half showed net profits of \$700,000, equal after preferred dividends to a loss of 2 cents per common share. A year earlier Inco posted net profits of \$93.9m or 78 cents a share.

Realised nickel price averaged \$3.46 per lb in the second quarter and \$3.53 per lb in the first half, compared with \$3.97 and \$3.96 in the corresponding periods of 1991.

US aims to beat the credit crunch

Patrick Harverson on measures to help small companies raise capital

THE Securities and Exchange Commission is expected to rubber stamp proposals today making it easier and less expensive for small US companies to raise equity and debt capital.

The agency is seen to be unveiling the proposals, which were unveiled in March, introduced quickly because it is concerned about the credit crunch facing small companies in need of capital.

Although the US economy is officially out of recession, business activity is advancing at a snail's pace, and the country's lenders have remained cautious about extending credit to high-risk borrowers. So cautious, in fact, that small companies have found their regular sources of capital - banks, insurance companies, venture capitalists and regional securities firms - all but drying up in the past year.

The banks have been reluctant to lend because the recession and problem loans have forced them to tighten their credit standards, leaving many young companies, which have not got an earnings track record, out in the cold.

There has been a similar retrenchment by insurance companies and venture capitalists which are shying away from high-risk lending. Regional securities firms, which were regular underwriters of small businesses, have raised fees to levels many young companies cannot afford.

Against this background, the SEC decided it had to help - the result was the measures due to be approved today. The most interesting proposal will allow small companies to gauge the market's mood before committing them-

selves to the cost and time of registering and launching a stock or bond issue.

At the moment, companies of any size cannot solicit general interest in their securities without registering their plans with the SEC. Under the proposal, a small company will be able to get lists of likely investors

and a broader following among investors.

Many of the 25 companies listed on the ECM are exactly the type that would have difficulty raising funds elsewhere - innovative companies in high-technology businesses which must invest in research and development before producing a regular stream of revenues.

Investor groups and some state regulators are concerned that investor protection may be sacrificed for easier capital formation

and send them - and the SEC - letters or brochures introducing the company and outlining its plans.

If the company receives enough of a response, it can begin registering and eventually issuing the securities. If the response from investors is tepid, the company can drop the offering, without having incurred too many unnecessary costs.

The SEC also plans to increase the limits on how much small companies can raise in the markets without being liable for full reporting requirements. To ease those reporting burdens, the SEC will allow small companies to file less detailed, and thus less costly, quarterly and annual reports.

Finally, the SEC will make it easier for mutual funds to invest more money in small companies.

The SEC's initiative has been applauded by advocacy groups for small companies. They see the measures as welcome support in a system where their interests are often overlooked by a regulatory community and government that focus their attention on the

measures will not undermine high standards of investor protection, while the Amex points out that ECM listed companies are closely watched and some of its supervision - of big shareholders in ECM stocks, for example - has been tightened.


There have been many examples over the years of investors being defrauded when investing in small, new companies which do not disclose full details of their businesses. Critics worry that the SEC proposals and Amex's incubator market leave investors exposed to unscrupulous or badly run companies.

Countering such criticism, the SEC says the proposed measures will not undermine high standards of investor protection, while the Amex points out that ECM listed companies are closely watched and some of its supervision - of big shareholders in ECM stocks, for example - has been tightened.

For many small companies, the only alternative to the ECM is either the electronic Nasdaq market or the "pink sheets", where stocks are traded over-the-counter (OTC). However, in these markets investors are sometimes deterred by wide spreads and, in the case of the pink sheets, by inadequate regulatory protection.

By enabling small companies to list on the ECM, Amex believes it provides them with a more efficient place to trade

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Daiwa Europe Limited	Deutsche Bank Aktiengesellschaft
Enskilda Securities Skandinaviska Enskilda Limited	Merrill Lynch International Limited
Paribas Capital Markets Group	RBC Dominion Securities International

2,185,000 Shares

This portion of the offering was offered in Canada by the undersigned.

RBC Dominion Securities Inc.	Goldman Sachs Canada
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July, 1992

INTERNATIONAL COMPANIES AND FINANCE

Norsk Hydro tumbles to Nkr788m

By Karen Fosell in Oslo

NORSK HYDRO, Norway's biggest listed company, yesterday reported a Nkr214m drop in half-year net income to Nkr788m (\$133.61m), despite gains on foreign currency and from the sale of securities.

Its performance was well below market expectations.

Second-quarter net income, however, rose by nearly Nkr200m to Nkr587m. The group said: "The second-quarter earnings benefited from a positive effect of changes in currency rates, primarily the fall in the dollar and gains from the sale of securities." It recorded a second-quarter foreign currency gain of

Nkr468m, against a loss of Nkr322m last time.

Second-quarter net financial income was Nkr374m, compared with a net financial expense of Nkr619m in last year's second quarter.

Hydro also made a second-quarter Nkr218m gain from the sale of non-voting shares in Saga Petroleum, Norway's biggest independent oil company, but bought a similar number of voting shares. The company owned 23.3 per cent of Saga's total share capital.

Second-quarter group operating income slid by Nkr336m to Nkr210m, while operating revenue dropped by Nkr298m to Nkr15.86bn.

At the half-year, group oper-

ating income was Nkr1.1bn weaker at Nkr1.85bn as operating revenue fell by Nkr563m to Nkr31.34bn.

Mr Egil Myklebust, president, said results were still affected by the weak international economic situation, but "we have seen some price increases for light metals and petrochemical products during the first half of the year."

He pledged that cost-cutting would continue with the aim of reducing costs by at least Nkr1.5bn within two years.

Mr Myklebust said some benefits of restructuring the group's fertiliser business were already apparent, but he warned that the unit faced a falling west European market

and low-priced imports from eastern European countries.

The agriculture division saw second-quarter operating income tumble to Nkr3m from Nkr338m last year as half-year operating income plunged to Nkr90m from Nkr366m.

Second-quarter operating income for the oil and gas division was up Nkr63m to Nkr722m, helped by a 200m tonnes of oil equivalent rise in oil/gas production and slightly higher oil prices. At the half-year mark, the division saw operating income increase by Nkr38m to Nkr1.46bn.

Second-quarter operating revenue rose Nkr27m to Nkr3.35bn but by Nkr47m to Nkr6.66bn in the first six months.

Benetton in asset swap with Edizione

By Haig Simonian in Milan

BENETTON, the Italian casual wear manufacturer, yesterday confirmed it had swapped a clutch of clothing assets with Edizione Holding, the Benetton family's private holding company, in return for a 36 per cent stake in Prince, the US sports group.

The transaction caused some surprise, as it appears to conflict with the strategy of large-scale sub-contracting under which Benetton has flourished since its birth in the mid-1960s.

Benetton is buying majority holdings in four Italian companies for L90bn (\$80m). It is transferring to Edizione Holding its stake in Prince, worth around \$70m.

Edizione Holding bought 80 per cent of Prince in September 1990 for an undisclosed sum, and took a further 15 per cent the following month. The company did not then reveal that part of the stake was being acquired by Benetton itself, which is 80 per cent controlled by the Benettos through Edizione Holding.

New chairman for Perrier

NESTLE, the Swiss food group, has appointed Mr Serge Milhaud as chairman of Source Perrier, the French mineral water company it acquired after the European Commission agreed to its FFf15.46bn (\$3.03bn) takeover bid, writes Alice Rawsthorn in Paris. Mr Milhaud is already head of Nestlé's mineral water inter-

Enichem heads bid for east German chemical business

By Leslie Collett in Berlin

THE Treuhand agency, which handles eastern German privatisations, said two European groups are contending to take over one of east Germany's largest chemicals operations.

A consortium led by Enichem, subsidiary of the Italian state energy concern, and including Thyssen Handelsunion, a subsidiary of Thyssen, the German industrial and trading group, and OMV, the Austrian state oil company, has bid to buy polyolefine facilities at the Buna, Leuna and Böhlen sites. These make up the heart of the east German chemicals industry. Polyolefine is a feedstock for producing poly-

ethylene and polypropylene.

Mr Franz Wauschkunn, Treuhand spokesman, said the agency would sign preliminary contracts with one of the bidders - the other group's name could not be disclosed - by 1993. Investments of between DM2bn (\$1.33bn) and DM3bn would be needed to modernise the installations.

The deal would follow the recent contract won by a Franco-German consortium of Elf Aquitaine, the oil company, and Thyssen to build a DM4.3bn refinery at Leuna and to take over east Germany's Minol petrol station network.

Mr Wauschkunn said Atochem, an Elf subsidiary, had bid to take over methanol pro-

duction at the Leuna site and was prepared to invest DM200m Rhône-Poulenc, the French chemicals company, OMV and Beaulieu, the Belgian carpet manufacturer, had bid to buy Leuna's facilities for producing tensides for the detergent industry.

The Treuhand was also seeking to privatise production of ethylene epoxides at Buna. Investments apart from polyolefine production were expected to amount to DM1bn.

Investments of about DM13bn will be needed because of a pledge by Bonn to retain the nearly 20,000 workers in the chemicals industry. It employed more than 100,000 people in early 1990.

Dow Corning's earnings fall

By Karen Zagor in New York

DOW CORNING, the 50-50 joint venture between Dow Chemical and Corning, yesterday reported a 19 per cent drop in underlying second-quarter net income to \$38m on sales that rose 5.7 per cent to \$498.4m.

A large one-time charge related to the company's silicone breast implant business depressed the company's reported net earnings even further, contributing to an 84 per cent decline to \$6.3m.

In the 1991 second quarter, Dow Corning had net income of \$40.5m on sales of \$483.1m.

The results had little impact on Dow Chemical and Corning's shares, which respectively eased 3/4 to \$54 1/4 and held steady at \$38 1/4 at midday.

Mr Edward Steinhoff, Dow Corning's chief financial officer, said operating profits fell on the back of slower than expected growth. "Our sales grew, although we didn't achieve the price increases we needed."

Questions over Uni's future

By Karen Fosell

THE surprise exit of Mr Jan Erik Langangen, president and chief executive of Uni Storebrand, Norway's biggest insurer, and the appointment of Mr Per Torje Vold as interim president has provided more questions over the company's future than answers.

Uni Storebrand's board appointed Mr Vold to succeed Mr Langangen but also tendered its own resignation. Uni's nominating committee is due to meet soon and is expected to accept the resignation.

Mr Langangen's departure was the result of pressure from disgruntled shareholders who had grown increasingly dissatisfied with his handling of the company's stake in Skandia, the Swedish insurer, for which he had ambitious plans.

Uni paid Nkr4.7bn (\$798m) for a 28.3 per cent limited-voting stake in Skandia. Uni's Skandia investment this year has plunged in value by about Nkr2.5bn, together with Uni's

Mr Bjørn Wølrath, Skandia's president, said Skandia had proposed to Uni Storebrand that it undertake its capital increase that would be combined with an option to buy Uni Storebrand's 28 per cent stake in the Swedish insurer.

Mr Wølrath suggested this option would create an opportunity for Uni to dispose of its Skandia shareholding. He said the option could expire in 1993 or 1994.

share price which has been halved to about Nkr26 since the turn of the year.

The board's resignation is a condition of the participation of a group of key shareholders in a Uni share issue which would allow the company to meet capital adequacy requirements.

Mr Langangen was seeking to make Skandia the cornerstone of his vision for a Nordic insurance alliance, although Uni's stake in the company held limited voting rights.

Stonewalled by Mr Bjørn Wølrath, Skandia's president, Mr Langangen was left with a large shareholding without the necessary clout to influence the future of Skandia. He was counting on his company's key shareholders to guarantee a

capital expansion of Nkr1.5bn-Nkr2bn. Failing to win their backing, Mr Langangen resigned and the board tendered its resignation.

Fresh capital would also allow Uni to retain the Skandia stake for at least a year without pressure to sell. It could then dispose of the stake without a significant loss.

Uni's board is due to meet tomorrow to map out a plan for the capital expansion which Mr Vold says is his first order of business.

Questions have also been raised over the future of Mr Langangen's post as chairman of Statoil, the Norwegian state oil company. These could become pressing if Statoil participates in Uni's share issue.

Catastrophe claims depress Safeco results

By Nikki Taft in New York

HEAVY catastrophe claims depressed second-quarter earnings at Safeco, the US property and casualty insurer. The company made an after-tax profit of \$42.1m in the three months to end-June, compared with \$61.2m a year earlier.

The figure was achieved on revenues of \$869.7m against \$859.6m last time, and profits before realised gains fell from \$50.9m to \$30.4m. Realised investment gains contributed \$11.8m, compared with \$264,000. Despite the second quarter fall, however, Safeco is still showing higher profits for the first six months of the year, at \$127.2m after tax, compared with \$106.5m.

Hailstorms, earthquakes, riots and the need to increase reserves for claims after the

Oakland fire disaster cost the group \$80m in the second quarter, and led to a \$73m underwriting loss. Mr Roger Elgsti, chief executive, said: "Homeowners, the line of business most affected by the catastrophes and weather, posted underwriting losses of \$58.3m for the second quarter, and \$81.1m for the first six months."

These problem areas were partially offset by improved car insurance results. Personal car insurance posted an \$8.5m underwriting profit for the first six months, compared with a \$21.9m loss a year ago.

● Alexander & Alexander, the insurance broker, made after-tax profits of \$16.9m in the second quarter of 1992, up from \$13.5m a year earlier. Profits for the first half of 1992 now stand at \$87.7m (\$15.4m).

Devanlay to strengthen hold over Lacoste

By Alice Rawsthorn in Paris

DEVANLAY, the French textile group, is strengthening its hold over Lacoste sportswear by buying the North American manufacturing and distribution rights to the brand.

Since 1977 Lacoste has been manufactured and distributed in North America by Crystal Brands, a US clothing company.

Crystal's contract runs until June 30 1993 and will then be taken up by Devanlay, which already holds 35 per cent of Chemise Lacoste, the company responsible for Lacoste's sports shirts.

Crystal is also selling its 50 per cent interest in Lacoste Alligator, the holding company for the brand, to the Lacoste family and Devanlay.

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July 28, 1992

\$100,000,000



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Common Stock

The undersigned were the underwriters for an offering of 4,800,000 shares of Common Stock of the Fund.

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COMPANY NEWS: UK

Annual dividend expected to be maintained despite gloomy economic prospects
Bullough records 18% decline to £5.89m

By Roland Rudd

THE PROLONGED and deepening recession in the UK and France was behind an 18 per cent fall in interim profits at Bullough, the office products and refrigeration group.

For the six months to April 30, pre-tax profits fell from £7.18m to £5.89m on sales of £132.7m, down from £141.6m.

The interim dividend is maintained at 1.75p. Earnings per share fell from 4p to 3.12p.

Mr Derrick Battie, chairman, warned that "because of the lack of any discernible economic upturn" profits for the full year would be lower than the £20.8m achieved last time. The group still intends to maintain the dividend for the year at 4.00p.

Operating profits from office products fell from £4.7m to £1.55m. Atal in France was reduced to near break-even as the company has still to work through planned redundancies with local authorities.

Mr Battie said he remained pessimistic about a UK recovery in office furniture.

Last year's demand for new fridges, prompted by health and safety regulations covering the temperature of food in distribution and display, was not sustained. Refrigeration's profits fell from £2.12m to £975,000.

The division's costs were up in anticipation of a better second half, although both full-year sales and profits are likely to remain below last year's.

The lower cost base of BFN Storefitters' and Beasatalk enabled Store Fitting to reduce its loss from £1.82m to £68,000. Operating profits at the remaining divisions were: heating £2.1m (£2m); electrical £468,000 (£748,000) and engineering £1.28m (£888,000).

Capital expenditure of £5.3m was mainly responsible for an increase in net borrowings from £7.8m to £8.8m.

COMMENT
Bullough has long been seen as a safe recovery stock. Given that the long-awaited recovery looks further away than ever, the key question is how will the group fare without an



Derrick Battie: still pessimistic about a UK recovery in office furniture

upturn in the economy? While office products shows no signs of an improvement, electrical and engineering businesses should continue to make impressive advances in sales and profits. The latter is particularly sweet for the company

since it was advised by some commentators to sell the division. The worst appears over in store fitting, and although refrigeration had a disappointing first half it is expected to do better in the second. With full-year pre-tax profits of

£17.5m, giving earnings per share of 9.3p, the shares - down 21p to 116p - are on a prospective multiple of 12.2. They still look fairly priced though, irrespective of whether an economic recovery takes place.

Wembley sells Guild offshoot for £19m

By Peter Pearce in London and Alice Rawsthorn in Paris

WEMBLEY, the international leisure group which owns the national stadium, has agreed to sell Guild Entertainment, the UK independent distributor of films, for an initial £19m to Chargeurs de France.

It has also received permission to install up to 1,500 electronic gaming machines - "one-arm bandits without the arms" - at Lincoln Greyhound Park in Rhode Island, UK.

The Guild sale is part of Wembley's policy of reducing its debt by disposing of non-core businesses. In April borrowings totalled some £175m; after the sale they will fall to £124m, giving gearing of 58 per cent, according to Mr Alex McCordie, finance director.

The initial consideration is in cash and Wembley will be paid a further £5.5m, dependent on Guild's profits performance in 1992.

Wembley bought Guild in October 1989 for £23.8m in cash and shares. The figure included an outstanding balance of £4.5m in respect of letters of credit issued to the original Guild vendors which will remain payable by Wembley.

Guild distributes mainly independently-made films - such as Terminator 2, Dances with Wolves and Basic Instinct - to the cinema, video and television industries and made pre-tax profits of £1.9m on turnover of £33.9m in 1991.

For Chargeurs, which has extensive interests in textiles and the film industry, the acquisition offers an opportunity to expand its film and video interests.

The French group, headed by the controversial Mr Jerome Seydoux, a close associate of President Francois Mitterrand, is already a leading force in the French film industry. It is an investor in Rean Productions, the film-making company connected with Mr Claude Berri, the French producer behind Jean de Florette and Manon des Sources, and in the Pathe cinema chain.

Fyffes pays £48m for half share in Swedish distributor

By Tim Coone and Hilary Barnes

FYFFES, the Dublin-based fruit and vegetable distributor, has finally secured a foothold in continental Europe by acquiring 50 per cent of Saba Trading, a Swedish wholesale distributor with links into the Dutch, German and Spanish markets, for SKr450m (£47.5m).

Ever since Fyffes' IF80m (£56m) rights issue in June 1991, there have been expectations of a strategic European acquisition which would give it the strength to begin competing seriously with the other leading banana and fruit distributors such as Chiquita and Dole.

Saba is a wholly-owned subsidiary of Axel Johnson, the Swedish trading group, and the sale price marks a sharp reduction on the SKr4.1bn which Axel Johnson paid to acquire the business from Carnegie in 1988. Saba currently has turnover of £240m and reported pre-tax profits of £12.4m in the year to end-August.

As part of the deal, Fyffes has options to acquire, or may be obliged to acquire, the remaining half share over a number of years.

In 1990, Axel Johnson entered into a co-operation agreement with Spar Handel of Hamburg, the fifth biggest consumer goods conglomerate in Germany, under which Saba took on responsibility for

Spar's overseas import activities and the purchase of tropical and exotic fruits through FTK, a Dutch subsidiary of Spar in which Saba took a 50 per cent stake. Saba also has a 47.5 per cent interest in Compania Fresa, a Spanish fruit and vegetable distributor.

These links raise the question of whether Fyffes will continue with its interest in acquiring PPI Del Monte.

Mr Carl McCann, Fyffes finance director, said: "If it's available and at the right price then we are interested."

However, for Fyffes to take control of PPI Del Monte it would probably either require a partner, or a new rights issue, as the Saba deal will have reduced its cash reserves to some £47m. PPI Del Monte is expected to be valued in the \$500m to \$800m (£260m to £420m) range.

Mr McCann played down the possibility of either option saying: "Saba has cash in it and we remain in a strong financial position even after the acquisition."

One market analyst in Dublin described the deal as "a good strategic step for Fyffes, even if the price being paid at 13 times historic earnings is a bit high."

He said that annual banana consumption in Sweden had doubled from 8kg to 18kg per head over the past ten years, making it one of the strongest markets worldwide.

ADT acts over Britannia audit

By Roland Rudd

ADT, the Bermuda-based security and car auction company, yesterday issued a writ against Binder Hamlyn alleging negligent statements in connection with its £110m takeover of Britannia Security Group.

Mr David Hammond, ADT's deputy chairman, said: "We have started proceedings against Binder Hamlyn, Britannia's auditors, alleging negligent misrepresentations in connection with our acquisition of Britannia."

ADT alleges that at a meeting prior to the takeover in January 1990 Binder Hamlyn said that Britannia's financial statement for the year to June 1989 was both true and fair. This statement, says ADT, contained "material inaccuracies".

Its 1991 annual report reveals that a review of Britannia's businesses showed that certain assets, particularly subscriber

systems installed at customer premises "had been included in the consolidated financial statements of Britannia at values materially in excess of their net realisable value."

This led to a £278m (£145.8m) goodwill write-off on the acquisition which made ADT into Britain's second largest burglar alarm company.

Binder Hamlyn said it could not comment since the partner who acted for Britannia was away on holiday.

Turnover totalled £10.2m (£12.5m including £3.93m for discontinued businesses). The operating profit was £1.38m (losses: £266,000, with £760,000 from those discontinued).

Net interest charges were cut to £350,000 (£933,000) and there were no exceptional losses (£1.63m). Earnings came to 2p (losses 18.5p).

Honey side blamed for 14% fall at Merrydown

By Philip Rawstorne

MERRYDOWN WINE, the USM-quoted cider, wine and health foods group, reported a 14 per cent decline, from £2.34m to £1.93m, in annual profits before tax.

Its premium cider brands weathered the recession with strong sales growth through supermarkets and off-licences but its honey business was badly hit, according to Mr Richard Purdy, chairman.

The outcome for the year to March 31 was also affected by a 45 per cent increase to £425,000 in interest charges and higher British apple prices.

Operating profits fell from £2.53m to £2.35m on turnover up 3 per cent to £17.3m.

First quarter sales of the group's key brands were ahead of last year despite increased competition and difficult economic conditions, Mr Purdy said.

Merrydown Vintage cider had maintained its position as

the leading premium brand and was the best-selling packaged cider in Scotland. Merrydown Traditional, launched in January last year, had secured 5 per cent of the growing can sector; and Premium Draught, the group's first keg cider, would be given wider distribution through a partnership to be announced shortly.

Reorganisation of West Country Honey Farms under a new managing director had been completed, and the company would now compete in the mainstream honey market as well as building its specialist preserves business. "I am confident we shall see a return to former levels of profitability," Mr Purdy said.

Group export sales increased 13.4 per cent to £780,000.

Earnings were reduced from 20.81p to 17.15p but the total dividend is raised an effective 12.5 per cent to 7p with a final of 6p; as in the previous year, there is a 1-for-8 scrip issue.

Gardner in black on £3.76m turnaround

AN OPERATING surplus and absence of exceptional charges turned round DC Gardner Group, the personnel training company, by £3.76m, pulling it back from a £2.85m loss to a £930,000 pre-tax profit in the first half of 1992 following a restructuring.

Mr Stephen Johnson, chairman, said: "We are pursuing a clear objective, to develop the

group into a major international human resources and training business."

The group had performed well in the opening period and "we see no reason why this progress cannot be maintained during the second half."

Progress was maintained in all three divisions - outplacement, residential conference centres and training and

publications.

Turnover totalled £10.2m (£12.5m including £3.93m for discontinued businesses). The operating profit was £1.38m (losses: £266,000, with £760,000 from those discontinued).

Net interest charges were cut to £350,000 (£933,000) and there were no exceptional losses (£1.63m). Earnings came to 2p (losses 18.5p).

Excalibur dives 73% to £1.11m but strengthens balance sheet

By Peter Pearce

EXCALIBUR, the jewellery, merchandising and engineering group, said yesterday that the year to April 30 had contained bad and good news, suggesting the good - on the balance sheet - outweighed the bad - on the profit and loss account.

Pre-tax profits tumbled 73 per cent to £1.11m (£4.14m), after a £1.6m exceptional charge for written-down jewellery stocks.

Sales in the jewellery division fell

11 per cent to £16.4m. Giftware and merchandising lifted sales 11 per cent to £22.1m. The crystal and pewterware companies were flat, but Pic-A-Tape, the music distributor, achieved record profits.

Sales in the aerospace division grew 9 per cent to £10.1m with its four companies all in profit but with slipped margins. Sales in the industrial side advanced 28 per cent to £18.5m, though trading losses were incurred.

Group turnover rose to £65.1m

(£60.7m). Earnings were down at 1.3p (6.3p) per share and the proposed final dividend is reduced to 0.6p for a total of 1p (1.8p).

The group was at pains to stress the good news on the balance sheet. All its borrowings have been restructured away from short-term to long-term arrangements with fewer banks.

Working capital has been reduced by 20 per cent and redeployed away from jewellery and industrial to giftware and aerospace, which require additional investment. Capital invest-

ment was maintained at £4.6m and gearing held at 58 per cent.

COMMENT

With the jewellery market having shrunk by 40 per cent since the heady days of 1989 and the industrial division in the wrong part of the cycle, Excalibur needed its other two legs to stand on. Even though aerospace took a double blow from Rolls-Royce, which decided to end its own raw materials buying and switched from 30-day to 60-day credit, it has a good

order book, though it will have to claw back some margin. In giftware, Pic-A-Tape was the star, though whether it can successfully break out of service stations and into groceries remains to be seen. If the jewellery side needs no more provisions, and that is a big 'if' with jewellery likely to be the last out of the recession, then £2m pre-tax can be expected this year, giving earnings of 2.3p and a prospective multiple of about 7. Not expensive, not exciting, but a recovery stock, though not yet.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres - pending dividend	Total for year	Total last year
Bullough	1.75	Sept 16	1.75	-	8.05
Excalibur	0.6	Oct 9	1.4	-	1.8
Greggs	5	Oct 9	4.75	-	14.125
Merrydown Wine	6	Oct 2	5.333*	7	6.222*
Mosaic Inve	5.51	Oct 2	5.75	9.26	9.25
Nu-Swift	10	Aug 28	10	30	18
RPS	1	Oct 26	1.4	-	2
Smaller Cos	1.2	Oct 12	1.2	-	2.5
TH Smaller Cos	2.2	Sept 29	2.2	3.7	3.7

Dividends shown pence per share net except where otherwise stated. *Adjusted for scrip issue. *On increased capital. *USM stock. *Increased total expected.

The Wellcome Trust

and

Robert Fleming & Co. Limited

would like to thank all the management and staff of

Wellcome plc

and

over 1,000 institutional investors in 24 countries worldwide for their participation in the

Sale by the Trust of
270,000,000 Ordinary Shares

in

Wellcome plc

NOTICE TO HOLDERS OF THE FOLLOWING DEBT SECURITIES LISTED ON THE INTERNATIONAL STOCK EXCHANGE OF THE UNITED KINGDOM AND THE REPUBLIC OF IRELAND (THE "LONDON STOCK EXCHANGE") ORIGINALLY ISSUED BY MANUFACTURERS HANOVER TRUST COMPANY ("MHT"):

FLOATING RATE SUBORDINATED CAPITAL NOTES DUE 1994

NOTICE TO HOLDERS OF THE FOLLOWING DEBT SECURITIES LISTED ON THE LUXEMBOURG STOCK EXCHANGE ORIGINALLY ISSUED BY MHT:

FLOATING RATE SUBORDINATED CAPITAL NOTES DUE APRIL 1997

Notice is hereby given that the merger (the "Merger") of MHT with and into Chemical Bank ("Chemical") was consummated on June 19, 1992. By operation of law as a result of the Merger, the separate existence of MHT has ceased and all debts, liabilities and duties of MHT (including the indebtedness of MHT described above) now attach to Chemical and may be enforced against Chemical as successor obligor to the same extent as if said debts, liabilities and duties had been incurred or contracted by it.

The debt securities of MHT described above will neither be exchanged nor overextended and will remain listed on London Stock Exchange under the new name, Chemical Bank, and on the Luxembourg Stock Exchange under the previous name followed by the new name (Chemical Bank).

July 28, 1992

CHEMICAL

BRISTOL & WEST
BUILDING SOCIETY
£150,000,000
Floating rate notes
due 1996

Notice is hereby given that the notes will bear interest at 10.54688% per annum from 24 July, 1992 to 26 October, 1992. Interest payable on 26 October, 1992 will amount to £133.46 per £270.88 per £10,000 note and £2,708.76 per £100,000 note.

Agent: Morgan Guaranty Trust Company

JPMorgan

ALLIANCE LEICESTER
Alliance & Leicester
Building Society
£300,000,000
Floating rate notes 1994

For the three months 24 July, 1992 to 26 October, 1992 the notes will bear interest at 10.325% per annum. Interest payable on the relevant interest payment date 26 October, 1992 will amount to £133.46 per £55,000 note and £2,669.11 per £100,000 note.

Agent: Morgan Guaranty Trust Company

JPMorgan

YEN 15,000,000,000
BRITISH AIRPORTS
FINANCE B.V.
Floating Rate Guaranteed
Notes due 1996

Interest Rate 4.2675% p.a.
Interest Period July 27, 1992
January 25, 1993

Interest Amount due on
January 25, 1993 per
Yen 10,000,000 Yen 216,757

BANQUE GENERALE DU LUXEMBOURG

Agent Bank

Moulinex**KRUPS****GROUPE MOULINEX**Turnover
first half year 1992

Compared to 1991, consolidated turnover at 30th June increased slightly to FF 3.685 billion, despite a 5% decline recorded at the end of March.

Provisional turnover at 30th June (in millions of French francs)	1992	1991	%
Moulinex Group	3,685	3,646	+ 1.07%
Moulinex S.A.	2,495	2,439	+ 2.29%

Considering this marked improvement over the past three months, the second half year, traditionally a period of new product launches and increased business activity, should be favourable for the Group which maintains its turnover objective of FF 9 billion for 1992.

The dividend related to the 1991 financial year of FF 4 per share - amounting to FF 6 after allowing for the tax credit attached thereto - will be payable on 14th September, 1992 (coupon n° 18).

The Prudential
Insurance Company of America
U.S. \$500,000,000
Collateralized Mortgage Obligations
Series 1986-1

For the period 27th July, 1992 to 25th August, 1992 the Bonds will carry an Interest Rate of 3.8675% per annum with an Interest Amount of U.S. \$36.58 per U.S. \$50,000 (the original Principal Amount) Bond, payable on 25th August, 1992. The Principal Amount of the Bonds outstanding is expected to be U.S. \$11,681.38 per Bond until the sixty eighth Payment Date.

Bankers Trust Company, London

Agent Bank

COMPANY NEWS: UK

Chairman goes as Mosaic signals direction change

By Paul Cheeseright,
Midlands Correspondent

THE BOARD of Mosaic Investments, the acquisitive mini-conglomerate based in Birmingham, has dismissed Mr Brian Disbury, its £180,000 a year executive chairman, and signalled a change in direction against a background of falling profits.

Yesterday it announced that pre-tax profits for the year ended April 30 had fallen from £7.56m to £4.24m. The decline was not unexpected as last March the group issued a profit warning and saw its share price lose 40 per cent of its value in a single day.

Yesterday the price remained at 96p, still hovering at the bottom of its 1992 trading range.

Mr Disbury was relieved of his position last Friday. "Compensation terms are still being discussed," the group said.

While a replacement for Mr Disbury is sought, Mr Greg Hutchings, a non-executive member of the board since 1987 - the year Mr Disbury became chief executive - will act as non-executive chairman. Mr

Hutchings is the chief executive of Tomkins, also an aggressive but a much larger conglomerate.

The departure of Mr Disbury, allied to the closure or disposal of loss-making interests and the sale, earlier this month for £18.4m, of the group's engineering and automotive division to its management, showed that Mosaic had abandoned its policy of diverse growth.

The search for small niche companies operating in varied markets - a policy with which Mr Disbury was associated - is being replaced by a more focused approach concentrating on display and packaging products and specialised promotion services.

"What we are determined to do is to change direction in some respects," said Mr Leon Angrave, managing director. "If we were going to move forward and restore credibility with our friends in the City, we needed to be under different leadership," he added.

A group statement observed that a change in leadership had been necessary for some months. Mr Disbury, who had obviously been at odds with

his board, refused yesterday to dwell on the situation. "Policy differences there might have been, but there are certain ways of going about things - that's all I'll say."

Mosaic was caught by the length of the recession. Mr Angrave acknowledged that the position deteriorated shortly after the announcement, last December, of the first half figures. Then the group talked of the rewards "of serving many different markets" and of its confidence in "a satisfactory outcome for the full year."

The first half accounted for over 75 per cent of the full year profits, which were generated on turnover of £48.8m (£42.8m). Earnings per share were halved to 16.25p (32.38p) but the dividend is held at 9.25p with a final of 5.5p.

Although Mosaic said that its current trading was "mixed" and there was no sign of sustained economic recovery, the sale of its engineering and automotive business had eliminated debt. Mr Hutchings said the group was now "in a position to face the continuing recession with resilience."

NEWS DIGEST

Heritage cuts losses to £177,000

HERITAGE, the USM-quoted household goods distributor, cut its pre-tax loss for the year to April 30 from £381,000 to £177,000.

Despite the depressed market it managed to increase turnover and margins in the second half. In the first three months of the present year turnover rose by a further 10 per cent, and the company expects results to continue improving.

Turnover for the year was 4.9 per cent ahead at £11m (£10.5m). Over the year bank debt was cut by £288,000 and interest payments fell to £472,000 (£528,000). Losses per share came out at 3.29p (7.06p).

17.5% rise for RPS as margins improve

RPS Group, the environmental consultancy, saw pre-tax profits increase 17.5 per cent, from £202,000 to £235,000, in the first half of 1992.

The group reorganisation was almost complete. Margins rose substantially compared with the second half of 1991, although turnover fell from £4.6m to £3.73m. Profit last time was struck after exceptional charges of £121,000.

Progress in the second half would largely depend upon realisation of the full benefit of cost reductions and more efficient staff utilisation, thereby

allowing margins to be raised further.

Earnings per share were 1.99p (1.54p) but the interim dividend is clipped to 1p (1.4p). On current projections the directors hoped to lift the total from the previous 2p.

Over the six months gearing was cut from 40 per cent to 15 per cent. Mr Brian Clouston, chairman, left the company as from yesterday as his contract had expired. Mr Roger Looker takes over the chair.

TR Smaller asset value increases

TR Smaller Companies Investment Trust lifted net asset value by 3.5 per cent. At May 31 1992 it had risen from 150.2p to 155.4p.

Of the portfolio, 73 per cent (67 per cent) was invested in the UK, 19 (31) per cent in the US, and 7 (10) per cent in Japan. Unquoted stocks represented 2.5 per cent.

A quarter of the holdings by number in the UK were in companies where the trust had a declarable holding, representing 30 per cent of the total portfolio.

Total income fell nearly 9 per cent to £13.3m. Earnings per share dropped 19 per cent to 3.49p (4.32p) but the dividend is again 3.7p with a final of 2.3p.

EFM Java asset value up 17%

Net asset value per ordinary share of EFM Java Trust stood at 30.05p at June 30, an improvement of 17 per cent

over the 25.91p standing 12 months earlier.

For the half year to end-June the trust incurred an attributable loss of £27,000 (earnings £78,000). Losses per share were 0.0909p (earnings 0.361p).

Smaller Companies' rise in asset value

The Smaller Companies Investment Trust reported an increase in both revenue and net asset value at the half year ended June 30.

Net asset value rose to 59.18p, against 53.18p 12 months earlier, while income from investments rose from £320,000 to £388,000 and net revenue came out at £237,000 (£190,000).

Nonetheless, the company decided not to increase the interim of 1.3p as the rate of increase in revenue for the whole year is likely to be less than that of the first half.

Wardle Storeys increases capacity

Wardle Storeys, the plastics and safety equipment group, has acquired machinery from a Spanish PVC-coated fabrics manufacturer which had ceased production.

Wardle has paid about £1m for the plant which will be installed in the Early factory of its technical products arm.

Mr Brian Lees, managing director of the division, said the acquisition would lead to improved production efficiencies and an improved range of products.

SIEMENS

Information for Siemens Shareholders

Surge in infrastructure projects

Interim report for the first nine months (1 October 1991 to 30 June 1992) of the 1992 fiscal year: Siemens again recorded mixed progress in the third quarter. While demand from German and international customers for standard products remained weak, the upward trend in the major systems business continued. During the first nine months, total new orders grew 3% worldwide and sales rose 8%. Net income after taxes increased 8% to DM1.311 billion.

Orders

Siemens booked new orders worth DM63.1 billion in the nine-month period. This was 3% higher than the DM61.3 billion recorded a year earlier. While international orders declined 4% to DM32.8 billion (1991: DM34.1 billion), German orders rose 11% to DM30.3 billion (1991: DM27.2 billion). This was primarily due to the high level of new orders for major systems. The largest growth was contributed by the Transportation Systems and Public Communication Networks Groups that are working on numerous projects to modernize rail and telecommunications in east Germany and other regions throughout the world. Automotive Systems grew strongly and benefited from the increasing use of electronics in automobiles. The Automation Group, although affected by

weak industrial demand for standard products, reported higher order volume with a major contract to equip 30 freight centers for the parcels service of Deutsche Bundespost. Operating groups with below-average growth include Semiconductors, Passive Components & Electron Tubes, Private Communication Systems and Siemens Nixdorf (SNI). The last two groups named are suffering a fall in orders, particularly in their international business.

DM billion	1/10/90 to 30/6/91	1/10/91 to 30/6/92	Change
Orders	61.3	63.1	+ 3%
German business	27.2	30.3	+ 11%
International business	34.1	32.8	- 4%

Sales

Worldwide sales rose 8% to DM55.0 billion in the period under review (1991: DM51.0 billion). As with orders, sales were stronger in Germany, rising 14% to DM25.9 billion (1991: DM22.8 billion), although international sales also advanced, by 3% to DM29.1 billion (1991: DM28.2 billion). Exports benefited from the high volume of orders received last year.

DM billion	1/10/90 to 30/6/91	1/10/91 to 30/6/92	Change
Sales	51.0	55.0	+ 8%
German business	22.8	25.9	+ 14%
International business	28.2	29.1	+ 3%

Employees

The number of employees on 30 June 1992 was about 415,000. Owing to initial consolidation of new companies, the work force has increased by 13,000 since the end of the 1991 fiscal year (30 September 1991). In some areas the work force is being reduced to compensate for insufficient orders and changes in the company's infrastructure. The underlying figure, adjusted for the effects of initial consolidations, shows that employee numbers fell by nearly 7,000 since the start of the fiscal year. Personnel costs rose 9% to DM24.9 billion (1991: DM22.9 billion).

'000s	30/9/91	30/6/92	Change
Employees	402	415	+ 3%
German operations	243	258	+ 6%
International operations	159	157	- 1%

DM billion	1/10/90 to 30/6/91	1/10/91 to 30/6/92	Change
Personnel costs	22.9	24.9	+ 9%

Capital spending and net income

Siemens' worldwide capital spending came to DM6.2 billion (1991: DM3.6 billion) in the period under review. This strong rise was due primarily to higher equity investments, in particular the raised stake in SNI, the purchase of the industrial controls activities of Texas Instruments, Inc., of Dallas, Texas, and the purchase of the Crouse-Hinds division, a low-voltage switchgear and controller business, from Cooper Industries, Inc., of Houston, Texas. More

capital was also spent on fixed assets. Net income after taxes increased 8% to DM1.311 billion (1991: DM1.214 billion).

	1/10/90 to 30/6/91	1/10/91 to 30/6/92	Change
Capital expenditure and investments DM billion	3.6	6.2	+ 73%
Net income after taxes DM billion	1.214	1.311	+ 8%

unaudited accounts

Siemens AG, Berlin and Munich

JUDGE DREAD.

For a critical look at the Critical Illness & Dread Disease markets, don't miss our considered verdict. The definitive survey appears on Thursday 13th August in

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COMMODITIES AND AGRICULTURE

Russia makes further cut in harvest estimate

RUSSIA'S DEPUTY agriculture minister yesterday revealed a further cut in the republic's 1992 grain harvest estimate, reports Reuter from Moscow.

"Ministry of Agriculture experts believe that grain production will total 93m-94m tonnes," Mr Vladimir Shcherbak told a news conference. Initial estimates had put the crop total at between 104m and 108m tonnes, but that was cut to 98m tonnes two and a half weeks ago and subsequently to 96m tonnes. According to Russian statistics the 1991 harvest was 89.1m tonnes.

Mr Shcherbak blamed shortages of oil and lack of equipment and spare parts - traditional problems in the troubled agricultural sector - for the disappointing production figures, which in turn force reliance on expensive imports.

Supplies held back

By Leyla Boulton and Dmitry Volkov in Moscow

THE RUSSIAN government yesterday expressed concern about the low level of grain deliveries to the state, saying that peasants had been holding back supplies in the hope of an increase in the official procurement price.

Mr Alexander Kudelia, deputy head of the Russian Committee for Grain Production, said that as of yesterday only about 1m tonnes had found their way into government stores, compared with 8m tonnes at the same time last year.

"The situation is serious but not catastrophic," he told a news conference. He said he believed that the peasants would stop hoarding their grain as a result of an announcement by President

Boris Yeltsin last week that the procurement price would not be increased beyond the price obtained at private commodity exchanges. The commodity exchange price currently stands at Rbl510,000 a tonne for standard quality wheat.

A pick-up in procurement would in turn enable the government to meet its target of purchasing 29m tonnes by November. Last year it scraped together 22m tonnes, with a poorer harvest than that expected this year.

Mr Kudelia said that he expected grain imports from other former Soviet republics and the world at large to total between 16 and 19m tonnes, which he described as an average level for previous years. This year's import would include 3m tonnes already promised by Kazakhstan.

Ghana points the way along Africa's golden road

Kenneth Gooding on growing interest in the mining potential of the continent's sub-Saharan region

A US\$165m syndicated loan is at present being finalised that should enable Ashanti Goldfields Corporation of Ghana to expand production and join the relatively exclusive band of companies that each produce more than 1m troy ounces of gold a year.

Ashanti's production boost is part of a gold mining renaissance in Ghana since a new Minerals Code was enacted in 1986, together with incentives and tax arrangements that the mining industry considers very reasonable.

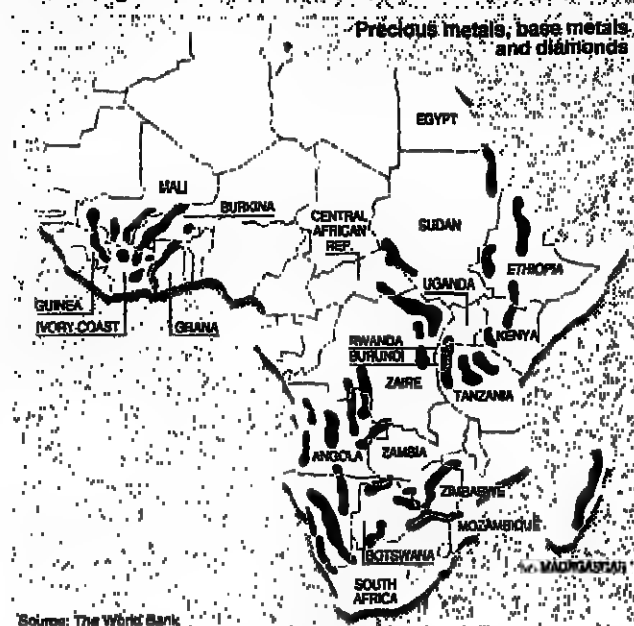
Ghana's gold production has jumped from an annual eight tonnes in the early 1980s to 16 tonnes last year.

"Given the outstanding geology and well-organised institutional environment, it is quite conceivable that by 1996 Ghana could be producing between 45 and 50 tonnes of gold a year," suggests Mr Mark Keatley, senior investment officer at the International Finance Corporation, an affiliate of the World Bank.

Not only that, he says, sub-Saharan Africa (which excludes the Arab countries of North Africa as well as South Africa) has the potential to produce about 160 tonnes of gold a year - nearly double last year's 84 tonnes and almost as large as Canada's present output.

Past production figures are bound to be distorted, however, because nearly 40 per cent of sub-Saharan African gold production is by small-scale miners, highly entrepreneurial people known variously as artisans, galampsey or pailleurs.

Priority zones for mineral development



Source: The World Bank

Mr Keatley points out that "they are estimated to produce almost as much gold as the entire country of Chile and quite possibly much more that is not reflected in the official statistics".

At least ten African countries produce gold but about two-thirds of total output is from three countries: Ghana, Zimbabwe and Zaire.

Ashanti Goldfields, which is 45 per cent owned by Lonrho, the UK-based conglomerate, with the rest in government hands, is Ghana's gold standard bearer. It produced 569,475 ounces last year and expects to move up to 670,000 in 1992 and to sustain 1m ounces a year

from 1996.

The IFC has also been asked by the government to organise the return of Ashanti to the international stock markets and this will be done "when suitable equity market conditions obtain", says Mr Keatley.

Drawing on the IFC's investment potential in the area and research by the African Mining Unit of the World Bank, Mr Keatley prepared a paper for the recent Financial Times World Gold Conference outlining sub-Saharan Africa's gold potential. He pointed out that much of Africa had the right type of geology for successful gold mining but not every one of its 44 countries had the right

"enabling environment", by which he meant infrastructure, legal systems, official policies and institutional development.

Ghana was an example of what was possible with the right enabling environment. Mr Keatley suggested. Since 1986 it had yielded three new world-class gold mines in the Tarkwa basin: Billiton's Bogoso mine producing three tonnes a year; the Teribere mine a similar amount; and the Iduapri mine, majority owned by Golden Shamrock Mines of Australia, three to four tonnes a year.

Elsewhere in western Africa, Mali had recently introduced a Mining Code based to some extent on that of Ghana. In Mali Broken Hill Proprietary of Australia brought a new gold mine into operation in 1990 which is producing an annual 3 tonnes. This would be expanded to 6 tonnes by 1994 under an expansion project in which the IFC is involved, said Mr Keatley.

A serious effort was being made to promote another western African country, Burkina, to international mining companies. "That country should be regarded as a priority exploration target," he said.

Southern Africa's biggest gold producing country is Zimbabwe, which produced almost 16 tonnes of gold last year. Mr Keatley said the country had an exceptionally well-developed infrastructure for the mining industry and it had more than 100 mines.

At one end of the scale were mines such as that operated by Lonrho, with output of more than five tonnes of gold a year, and Cliff Resources, Falcon

Gold and RTZ, each producing two or three tonnes annually. In contrast many small mines were producing just over 100 kg each a year.

Zimbabwe was the only country in sub-Saharan Africa that offered gold mining companies a realistic chance of financing growth through a local stock market. During the past two years Cliff and Falcon had raised the equivalent of \$15m by share offerings to finance mine developments.

Other gold-producing countries in southern Africa are Namibia, where the first gold mine opened in 1989, and Madagascar. But the country potential was Mozambique. In the Manica area of Mozambique alone there were more than 40 abandoned gold mines with a resource base estimated at more than 50 tonnes.

Zaire, in east-central Africa, had two gold-bearing provinces. One in its north-east corner has been worked for its gold for two millennia and it might have been a source of gold for Egypt in ancient times. "It is not implausible that the gold of the Pharaohs was brought down the Nile from this source," Mr Keatley pointed out.

In more recent times this gold area had been neglected. Most of it was leased by the Zaire state gold miner, Okimo, which had not invested much in exploration or development. However, last year the government agreed to sub-lease part of the concession to a South African/Belgian consortium. This joint venture - in which the IFC is a founding shareholder - would eventually

produced 2.5 tonnes of gold a year and estimated that a sustainable annual output of 14 tonnes could be achieved in five years.

The other Zaire gold region, containing the deposits of Twangiza and Namoya, was very difficult to operate in, Mr Keatley pointed out. "Supplies have to be trucked for two to six weeks through East Africa to reach the mining areas. Hydro-electric power stations have been installed in the mountains but in general the infrastructure is poor."

"On top of these physical constraints, Zaire is presently in the throes of a political and economic crisis unparalleled in its history. All central institutions have practically collapsed. So investors need to be well-organised and patient. Elsewhere in east-central Africa, while countries such as Burundi, Tanzania, Kenya and Ethiopia have little geological potential, very little commercial-scale gold mining is going on."

Mr Keatley suggested that the end of the Cold War, which had divided many African nations into two ideological camps and led to distortions in economic policies, was very positive. Also, the more relaxed international scene enabled South African mining houses to export their expertise to other parts of Africa.

However, there was much catching up to be done because during the 1980s total exploration expenditure in sub-Saharan Africa was only about \$100m a year - "a major under-investment by all yardsticks".

Finnish group rules out offer for Avonmouth smelter

By Kenneth Gooding, Mining Correspondent, in Kikkola, Finland

OUTOKUMPU, the state-owned Finnish mining and metals group, has ruled out making an offer for the Avonmouth zinc smelter in the UK which was put up for sale in March.

Mr Erik Nyholm, president of Outokumpu Zinc, said Pasmikko, the Australian company, had chosen the wrong time to dispose of Avonmouth because there was too much zinc production capacity, particularly in Europe.

"The market would not be in a supply-demand balance until 1993 at the earliest," he said.

Outokumpu was also worried about possible pollution clean-up charges associated with the UK smelter - although he admitted his company had not looked very

Copper production in the first-half of 1992 at Codelco, Chile's state-owned copper corporation, rose to 572,818 tonnes copper, from 564,473 tonnes in the same period last year, Mr Alejandro Nozal, the chief executive, said at the weekend, reports Reuter from Santiago. "First-half fine copper production topped projections by 4.4 per cent and topped first-half 1991 production by 1.4 per cent, despite declining ore grades," he said.

closely at that situation.

Avonmouth is the UK's only zinc smelter. Pasmikko recently completely a £10m programme there that expanded its annual capacity to 108,000 tonnes of zinc and 50,000 tonnes of lead bullion. However, Pasmikko has decided to sell Avonmouth and its other European assets to reduce debt and to focus on its operations in Australia.

Mr Nyholm pointed out that about 140,000 tonnes of annual zinc production capacity had been closed down in Europe recently but the industry had

been surprised when Nuova Samin had abandoned plans to close its 100,000 tonnes-a-year Crotone smelter in Italy. Samin would keep it operating while building a new 120,000 tonnes smelter. "If Crotone had closed, the market would be in balance," said Mr Nyholm.

"The new Italian smelter makes no sense - it will simply lose more money than the old one. This is expensive politics," Mr Nyholm said that the technical squeeze on the London Metal Exchange's zinc market was not helping the industry. Contracts all over the

world were linked to the LME price which, because of the squeeze, was at present about \$200-a-tonne too high. These artificially-high prices were delaying closure of uneconomic capacity.

Mr Nyholm said Outokumpu had complained privately about the squeeze to the LME board. He said the LME should make up its mind whether it wanted to be a market for consumers and producers or one for speculators.

As long as the technical instruments were available for speculators to play the market, manipulation would continue. As long as there were traders wanting to make short-term profits, manipulation would continue, he added.

However, it was not possible to fight the fundamental market situation for ever and eventually the price might collapse.

Barbadian sugar at 60-year low

By Canute James in Kingston, Jamaica

THE 1992 Barbadian sugar harvest has produced 54,500 tonnes, down 17 per cent from last year but enough to satisfy its annual European Community quota of 54,000 tonnes, according to officials in the sugar industry.

This year's output is the lowest for the industry in the past 60 years. However, Mr David West, managing director of Barbados Sugar Industry Ltd, the island's sole producer, said the yield was a "remarkable achievement" following a series of strikes and poor weather during harvesting.

The cut has left the industry unable to satisfy its 7,000-tonne US quota and home demand of 14,000 tonnes has been covered this year by imports from Guatemala and Trinidad.

MARKET REPORT

COPPER

COPPER prices yesterday continued the downturn that set in late last week at the London Metal Exchange, with the cash price closing £13 down at £1,327.50 a tonne. However, most of the fall was attributable to sterling's firmness against the dollar. Dealers noted that the three months price held just above expected support at the equivalent of \$2,540 a tonne. Earlier the market was boosted by news that Polish copper workers planned to step up their strike action and the three months price reached \$2,562 a tonne in the morning. Three months TIN came under heavy pressure in afternoon trading

London Markets

SPOT MARKETS

	Close	Previous	High/Low
Cash	\$13.27-50	-0.07	
3 months	\$20.55-60	-0.05	
6 months	\$20.55-60	-0.05	
12 months	\$21.55-60	-0.05	

OIL PRODUCTS

(INE prompt delivery per tonne CIF) + or -

	Close	Previous	High/Low
Crude oil	\$22.23	-0.03	
Gas oil	\$18.17	-0.03	
Heavy fuel oil	\$18.17	-0.03	
Naphtha	\$18.17	-0.03	

Other

+ or -

	Close	Previous	High/Low
Gold (per troy oz)	\$358.00	+0.50	
Silver (per troy oz)	\$398.00	+2.00	
Platinum (per troy oz)	\$370.00	-2.50	
Palladium (per troy oz)	\$89.00	+0.15	

Copper (US Producer)

38.9c

Lead (US Producer)

38.9c

Tin (Kuala Lumpur market)

17.20c

Tin (New York)

325.5c

Zinc (US Prime Western)

82.0c

Cattle (live weight)

111.57c

Pigs (live weight)

83.89c

COCOA - London FOX

(\$ per tonne)

	Close	Previous	High/Low
Raw	\$240.00	-2.00	
1st	\$240.00	-2.00	
2nd	\$240.00	-2.00	
3rd	\$240.00	-2.00	

COFFEE - London FOX

(\$ per tonne)

	Close	Previous	High/Low
Arabica	\$70.00	-1.00	
Robusta	\$70.00	-1.00	

SUGAR - London FOX

(\$ per tonne)

	Close	Previous	High/Low
Raw	\$240.00	-2.00	
1st	\$240.00	-2.00	
2nd	\$240.00	-2.00	
3rd	\$240.00	-2.00	

POTATOES - London FOX

(\$ per tonne)

	Close	Previous	High/Low
Raw	\$240.00	-2.00	
1st	\$240.00	-2.00	
2nd	\$240.00	-2.00	
3rd	\$240.00	-2.00	

SOYABEANS - London FOX

(\$ per tonne)

	Close	Previous	High/Low
Raw	\$240.00	-2.00	
1st	\$240.00	-2.00	
2nd	\$240.00	-2.00	
3rd	\$240.00	-2.00	

WHEAT - London FOX

(\$ per tonne)

	Close	Previous	High/Low
Raw	\$240.00	-2.00	
1st	\$240.00	-2.00	
2nd	\$240.00	-2.00	
3rd	\$240.00	-2.00	

FLOUR - London FOX

(\$ per tonne)

	Close	Previous	High/Low
Raw	\$240.00	-2.00	
1st	\$240.00	-2.00	
2nd	\$240.00	-2.00	
3rd	\$240.00	-2.00	

GRAIN - London FOX

(\$ per tonne)

	Close	Previous	High/Low
Raw	\$240.00	-2.00	
1st	\$240.00	-2.00	
2nd	\$240.00	-2.00	
3rd	\$240.00	-2.00	

TEA

There was more general demand, reports the Tea Traders' Association, London, for the best quality and good medium East African well supported at lower rates with lesser mediums also strong at 3-5p dearer. Plain descriptions and most Central African teas met limited interest while Ceylons attracted tea competition. Oshana Kenya tea was mainly firm, Central Africans rose limited support. Few teas from Mauritius remained about steady at 18p rates. The highest price this week was 18p for one Kenya and two Rwanda at 18p. Ceylon quality 100p/kg, good medium 125p/kg, medium 115p/kg, low medium 83p/kg.

PICES - London FOX

(\$ per tonne)

	Close	Previous	High/Low
Raw	\$240.00	-2.00	
1st	\$240.00	-2.00	
2nd	\$240.00	-2.00	
3rd	\$240.00	-2.00	

CATTLE - London FOX

(\$ per tonne)

	Close	Previous	High/Low
Raw	\$240.00	-2.00	
1st	\$240.00	-2.00	
2nd	\$240.00	-2.00	
3rd	\$240.00	-2.00	

PIGS - London FOX

(\$ per tonne)

	Close	Previous	High/Low
Raw	\$240.00	-2.00	
1st	\$240.00	-2.00	
2nd	\$240.00	-2.00	
3rd	\$240.00	-2.00	

SHEEP - London FOX

(\$ per tonne)

	Close	Previous	High/Low
Raw	\$240.00	-2.00	
1st	\$240.00	-2.00	
2nd	\$240.00	-2.00	
3rd	\$240.00	-2.00	

WORLD COMMODITIES PRICES

(Prices supplied by Associated Metal Trading)

LONDON METAL EXCHANGE

(Prices supplied by N M Rothschild)

	Close	Previous	High/Low
Aluminium	\$1,327.50	-0.50	
Cash	\$1,327.50	-0.50	
3 months	\$1,327.50	-0.50	
6 months	\$1,327.50	-0.50	

COPPER - London FOX

(\$ per tonne)

	Close	Previous	High/Low
Raw	\$240.00	-2.00	
1st	\$240.00	-2.00	
2nd	\$240.00	-2.00	
3rd	\$240.00	-2.00	

ZINC - London FOX

(\$ per tonne)

	Close	Previous	High/Low
Raw	\$240.00	-2.00	
1st	\$240.00	-2.00	
2nd	\$240.00	-2.00	
3rd	\$240.00	-2.00	

LEAD - London FOX

(\$ per tonne)

	Close	Previous	High/Low
Raw	\$240.00	-2.00	
1st	\$240.00	-2.00	
2nd	\$240.00	-2.00	
3rd	\$240.00	-2.00	

SILVER - London FOX

(\$ per tonne)

	Close	Previous	High/Low
Raw	\$240.00	-2.00	
1st	\$240.00	-2.00	
2nd	\$240.00	-2.00	
3rd	\$240.00	-2.00	

BUILDING MATERIALS - Cont.**CONTRACTING & CONSTRUCTION - Cont.**

ENGINEERING—GENERAL - Cont.

HOTELS & LEISURE - C

INVESTMENT

	1992	Yld	Dis of
+ or	high low	G's NAV	Pct(-)
a.			

133	136	81	21.5	-29.8
134	135	84	18.7	-
297	183	-	-	-
135	136	-	97	104
136	137	-	-	-
137	138	-	-	-
138	139	-	-	-
139	140	-	-	-
140	141	-	-	-
141	142	-	-	-
142	143	-	-	-
143	144	-	-	-
144	145	-	-	-
145	146	-	-	-
146	147	-	-	-
147	148	-	-	-
148	149	-	-	-
149	150	-	-	-
150	151	-	-	-
151	152	-	-	-
152	153	-	-	-
153	154	-	-	-
154	155	-	-	-
155	156	-	-	-
156	157	-	-	-
157	158	-	-	-
158	159	-	-	-
159	160	-	-	-
160	161	-	-	-
161	162	-	-	-
162	163	-	-	-
163	164	-	-	-
164	165	-	-	-
165	166	-	-	-
166	167	-	-	-
167	168	-	-	-
168	169	-	-	-
169	170	-	-	-
170	171	-	-	-
171	172	-	-	-
172	173	-	-	-
173	174	-	-	-
174	175	-	-	-
175	176	-	-	-
176	177	-	-	-
177	178	-	-	-
178	179	-	-	-
179	180	-	-	-
180	181	-	-	-
181	182	-	-	-
182	183	-	-	-
183	184	-	-	-
184	185	-	-	-
185	186	-	-	-
186	187	-	-	-
187	188	-	-	-
188	189	-	-	-
189	190	-	-	-
190	191	-	-	-
191	192	-	-	-
192	193	-	-	-
193	194	-	-	-
194	195	-	-	-
195	196	-	-	-
196	197	-	-	-
197	198	-	-	-
198	199	-	-	-
199	200	-	-	-
200	201	-	-	-
201	202	-	-	-
202	203	-	-	-
203	204	-	-	-
204	205	-	-	-
205	206	-	-	-
206	207	-	-	-
207	208	-	-	-
208	209	-	-	-
209	210	-	-	-
210	211	-	-	-
211	212	-	-	-
212	213	-	-	-
213	214	-	-	-
214	215	-	-	-
215	216	-	-	-
216	217	-	-	-
217	218	-	-	-
218	219	-	-	-
219	220	-	-	-
220	221	-	-	-
221	222	-	-	-
222	223	-	-	-
223	224	-	-	-
224	225	-	-	-
225	226	-	-	-
226	227	-	-	-
227	228	-	-	-
228	229	-	-	-
229	230	-	-	-
230	231	-	-	-
231	232	-	-	-
232	233	-	-	-
233	234	-	-	-
234	235	-	-	-
235	236	-	-	-
236	237	-	-	-
237	238	-	-	-
238	239	-	-	-
239	240	-	-	-
240	241	-	-	-
241	242	-	-	-
242	243	-	-	-
243	244	-	-	-
244	245	-	-	-

Read Exec.	57	51	49
Reliance Sec.	200	200	210

44	◇	TKK Y	£16½	—	£19½	£14½	2.997	14
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INVEST	300	-	400	300
Version 101	51	-	10	51
INVEST	300	-	400	300

Q4	Q3	Notes	Price	
3	-	Alert 3 Alert 3	\$774	-1/2
6.4	28.3			2

low CapEm	Gr's	P/E	Zero Div Pri	12
240 1/4	478.1	4.5	Caravans Value	1

-1 ₂	136	109 ₄	-	-	-
-1 ₂	27 ₁	15 ₁	38.5	91	-68.6

12	883	713	12.7	75.5	-16.5
13	191	61	...	92.5	27.2
14	124	104	38.0
15	77	71	...	-13.1	0.4
16	148	120	2.1
17	99	61	1.3	60.2	23.3
18	77	12
19	177	153	1.1	185.8	17.8
20	106	90
21	46	37.3	16.8	39.3	-23.0
22	177	61	...	92.5	27.2
23	179	131	6.8	170.3	25.1
24	218	170	2.3	197.2	15.4
25	218	170	2.3	197.2	15.4
26	218	270	8.1	237.0	68.4
27	218	35
28	35
29	35
30	35
31	35
32	35
33	35
34	35
35	35
36	35
37	35
38	35
39	35
40	35
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90	35
91	35
92	35
93	35
94	35
95	35

McCormick (Wt. _____)	145	-1	170	122
Chemex _____	2	-1/2	76	1
McCormick _____	448	-17	828	600

	6.7	10.7		Mktg	Price		High	Low	CapEx	G's
7	-	-	AB Elect		75	-2	100	58	21.4	0.2
8	10	11.8	ACT		100	-1	107	102	201.4	1.0

Clifford	410	410	579	410
A M/V	122	125	270	113

37	18.4	FAI AS	24	-5	1
125	5.8	FAI AS	24	-5	1

940	89.6	1.9	16.8	100-Optimum	_____
22	89.5			Zero Div PL	_____
23	89.4	1.7	8.9	Mill & S LK Split Coils	_____

100	73	174	826	523
170	153	-	-	-
99	75	3.4	85.6	8.9

1	26	10	
2	30	3	
3	36	5.1	51.7 37.2
4	40	6	
5	44	7	
6	48	8.7	103.7 2.6
7	52	9.7	103.7 2.6
8	56	10.1	103.7 2.6
9	60	14.1	1
10	64	15.1	2.1
11	68	18	2.1
12	72	18.5	8.2 22.7 33.1
13	76	19	
14	80	20.7	8.7 20.7 11.2
15	84	21.5	8.7 20.7 11.2
16	88	13.6	18.3 12.3 17.8
17	92	14.6	18.3 12.3 17.8
18	96	15.6	18.3 12.3 17.8
19	100	7.7	18.3 12.3 17.8
20	104	10.7	18.3 12.3 17.8
21	108	10.7	18.3 12.3 17.8
22	112	10.7	18.3 12.3 17.8
23	116	10.7	18.3 12.3 17.8
24	120	10.7	18.3 12.3 17.8
25	124	10.7	18.3 12.3 17.8
26	128	10.7	18.3 12.3 17.8
27	132	10.7	18.3 12.3 17.8
28	136	10.7	18.3 12.3 17.8
29	140	10.7	18.3 12.3 17.8
30	144	10.7	18.3 12.3 17.8
31	148	10.7	18.3 12.3 17.8
32	152	10.7	18.3 12.3 17.8
33	156	10.7	18.3 12.3 17.8
34	160	10.7	18.3 12.3 17.8
35	164	10.7	18.3 12.3 17.8
36	168	10.7	18.3 12.3 17.8
37	172	10.7	18.3 12.3 17.8
38	176	10.7	18.3 12.3 17.8
39	180	10.7	18.3 12.3 17.8
40	184	10.7	18.3 12.3 17.8
41	188	10.7	18.3 12.3 17.8
42	192	10.7	18.3 12.3 17.8
43	196	10.7	18.3 12.3 17.8
44	200	10.7	18.3 12.3 17.8
45	204	10.7	18.3 12.3 17.8
46	208	10.7	18.3 12.3 17.8
47	212	10.7	18.3 12.3 17.8
48	216	10.7	18.3 12.3 17.8
49	220	10.7	18.3 12.3 17.8
50	224	10.7	18.3 12.3 17.8
51	228	10.7	18.3 12.3 17.8
52	232	10.7	18.3 12.3 17.8
53	236	10.7	18.3 12.3 17.8
54	240	10.7	18.3 12.3 17.8
55	244	10.7	18.3 12.3 17.8
56	248	10.7	18.3 12.3 17.8
57	252	10.7	18.3 12.3 17.8
58	256	10.7	18.3 12.3 17.8
59	260	10.7	18.3 12.3 17.8
60	264	10.7	18.3 12.3 17.8
61	268	10.7	18.3 12.3 17.8
62	272	10.7	18.3 12.3 17.8
63	276	10.7	18.3 12.3 17.8
64	280	10.7	18.3 12.3 17.8
65	284	10.7	18.3 12.3 17.8
66	288	10.7	18.3 12.3 17.8
67	292	10.7	18.3 12.3 17.8
68	296	10.7	18.3 12.3 17.8
69	300	10.7	18.3 12.3 17.8
70	304	10.7	18.3 12.3 17.8
71	308	10.7	18.3 12.3 17.8
72	312	10.7	18.3 12.3 17.8
73	316	10.7	18.3 12.3 17.8
74	320	10.7	18.3 12.3 17.8
75	324	10.7	18.3 12.3 17.8
76	328	10.7	18.3 12.3 17.8
77	332	10.7	18.3 12.3 17.8
78	336	10.7	18.3 12.3 17.8
79	340	10.7	18.3 12.3 17.8
80	344	10.7	18.3 12.3 17.8
81	348	10.7	18.3 12.3 17.8
82	352	10.7	18.3 12.3 17.8
83	356	10.7	18.3 12.3 17.8
84	360	10.7	18.3 12.3 17.8
85	364	10.7	18.3 12.3 17.8
86	368	10.7	18.3 12.3 17.8
87	372	10.7	18.3 12.3 17.8
88	376	10.7	18.3 12.3 17.8
89	380	10.7	18.3 12.3 17.8

Carroll-Beal, D.D.	E248 1/2	E277 1/2	E224 1/2
Carroll	12	34	11
Carroll	22	42	22

	25	Kern Syst.	186	-37	91	9.30	=
		Rode btl	114r	-37	92	6.42	47

Index	Price	4-01	1982	4-01	1982
MASDA	26	-12	42	25	5

100	Warrants	20	—
Gr's	B Warrants	9	—
111	Abstract New Sun	92	—

20				M & E End Inc.	1
8				Cap.	2
64	97	80	24	Maloria	3

189	140	22.2	-	-
353	240	-	392.1	31.2
218	257	4.2	252.2	15.2

1	184	34	4.2	35.0	12.0
2	184	34	4.2	35.0	12.0
3	184	34	4.2	35.0	12.0
4	184	34	4.2	35.0	12.0
5	184	34	4.2	35.0	12.0
6	184	34	4.2	35.0	12.0
7	184	34	4.2	35.0	12.0
8	184	34	4.2	35.0	12.0
9	184	34	4.2	35.0	12.0
10	184	34	4.2	35.0	12.0
11	184	34	4.2	35.0	12.0
12	184	34	4.2	35.0	12.0
13	184	34	4.2	35.0	12.0
14	184	34	4.2	35.0	12.0
15	184	34	4.2	35.0	12.0
16	184	34	4.2	35.0	12.0
17	184	34	4.2	35.0	12.0
18	184	34	4.2	35.0	12.0
19	184	34	4.2	35.0	12.0
20	184	34	4.2	35.0	12.0
21	184	34	4.2	35.0	12.0
22	184	34	4.2	35.0	12.0
23	184	34	4.2	35.0	12.0
24	184	34	4.2	35.0	12.0
25	184	34	4.2	35.0	12.0
26	184	34	4.2	35.0	12.0
27	184	34	4.2	35.0	12.0
28	184	34	4.2	35.0	12.0
29	184	34	4.2	35.0	12.0
30	184	34	4.2	35.0	12.0
31	184	34	4.2	35.0	12.0
32	184	34	4.2	35.0	12.0
33	184	34	4.2	35.0	12.0
34	184	34	4.2	35.0	12.0
35	184	34	4.2	35.0	12.0
36	184	34	4.2	35.0	12.0
37	184	34	4.2	35.0	12.0
38	184	34	4.2	35.0	12.0
39	184	34	4.2	35.0	12.0
40	184	34	4.2	35.0	12.0
41	184	34	4.2	35.0	12.0
42	184	34	4.2	35.0	12.0
43	184	34	4.2	35.0	12.0
44	184	34	4.2	35.0	12.0
45	184	34	4.2	35.0	12.0
46	184	34	4.2	35.0	12.0
47	184	34	4.2	35.0	12.0
48	184	34	4.2	35.0	12.0
49	184	34	4.2	35.0	12.0
50	184	34	4.2	35.0	12.0
51	184	34	4.2	35.0	12.0
52	184	34	4.2	35.0	12.0
53	184	34	4.2	35.0	12.0
54	184	34	4.2	35.0	12.0
55	184	34	4.2	35.0	12.0
56	184	34	4.2	35.0	12.0
57	184	34	4.2	35.0	12.0
58	184	34	4.2	35.0	12.0
59	184	34	4.2	35.0	12.0
60	184	34	4.2	35.0	12.0
61	184	34	4.2	35.0	12.0
62	184	34	4.2	35.0	12.0
63	184	34	4.2	35.0	12.0
64	184	34	4.2	35.0	12.0
65	184	34	4.2	35.0	12.0
66	184	34	4.2	35.0	12.0
67	184	34	4.2	35.0	12.0
68	184	34	4.2	35.0	12.0
69	184	34	4.2	35.0	12.0
70	184	34	4.2	35.0	12.0
71	184	34	4.2	35.0	12.0
72	184	34	4.2	35.0	12.0
73	184	34	4.2	35.0	12.0
74	184	34	4.2	35.0	12.0
75	184	34	4.2	35.0	12.0
76	184	34	4.2	35.0	12.0
77	184	34	4.2	35.0	12.0
78	184	34	4.2	35.0	12.0
79	184	34	4.2	35.0	12.0
80	184	34	4.2	35.0	12.0
81	184	34	4.2	35.0	12.0
82	184	34	4.2	35.0	12.0
83	184	34	4.2	35.0	12.0
84	184	34	4.2	35.0	12.0
85	184	34	4.2	35.0	12.0
86	184	34	4.2	35.0	12.0
87	184	34	4.2	35.0	12.0
88	184	34	4.2	35.0	12.0
89	184	34	4.2	35.0	12.0
90	184	34	4.2	35.0	12.0
91	184	34	4.2	35.0	12.0
92	184	34	4.2	35.0	12.0
93	184	34	4.2	35.0	12.0
94	184	34	4.2	35.0	12.0
95	184	34	4.2	35.0	12.0
96	184	34	4.2	35.0	12.0
97	184	34	4.2	35.0	12.0
98	184	34	4.2	35.0	12.0
99	184	34	4.2	35.0	12.0
100	184	34	4.2	35.0	12.0

2321 (AH)	135	180	108
2322 (AH)	22	31	23
2323 (AH)	81	118	57

63	749	Solidus Per...	87	92	95	98	100
-	-	Cottonseed	100	-	40	21	2.85
55	-	0.27

Calif May 15	54	61	53 1/2
Community Hosp	289	242	295

4.6	7.1	Cash on Hand	81	---
3.0	1.3	Warrants	---	---

243	4.1	244	0.6
34	2.9	41.3	10.5
6 1/2	-	-	-

New Frontiers

100 95 90 85 80 75 70 65 60 55 50 45 40 35 30 25 20 15 10 5 0

28	575	7	81	125
29	24	52	50	403
30	24	52	50	403
31	24	47	103	487
32	15	48	1072	193
33	29	81	682	386
34	4			
35	119	93	48	1037
36	170	85	290	1409
37	186	102	62	282
38	201	200	17	2453
39	201	200	18	2258
40	212	211	48	193
41	212	211	48	193
42	85	78	2	50
43	72	57	3	61
44	181	138	44	1719
45	178	137	1	138
46	282	27		
47	51		50	0
48	51		50	0
49	118	104	14	365
50	118	84	324	
51	34	16	32	394
52	1	162	75	75
53	21	21		
54	1	79	927	
55	1	27	14	-345
56	101	117		
57	101	102		44
58	125			
59	189	88	57	1013
60	38	38		
61	194	194		
62	8	24		-719
63	19			
64	71			
65	104	48	2175	21
66	111			
67	122	103	-1181	331
68	122	103		
69	275	28.8		0169
70	122	150	62	1903
71	122			
72	128	142		
73	508	508		
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1. *Journal of the American Medical Association*, 1997; 277: 1033-1038.

...and the fact that the *Journal* is a journal of the American Psychological Association, the largest and most prestigious of the psychological organizations in the United States, is a source of great pride for me. I am sure that the *Journal* will continue to be a valuable resource for the psychological community and for the general public.



سنة اربع مائة

LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

Notes	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	9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● Current Unit Trust prices are available on FT Cityline. Calls charged at 38p/minute cheap rate. For more information on Unit Trusts, call 071 925-2128. To obtain a free Unit Trust Code Booklet ring 071 925-2128.

تاریخ ۱۳۰۲

● Current Unit Trust prices are available on FT Cityline. Calls charged at 36p/minute cheap rate and 48p/minute at all other times. To obtain a free Unit Trust Code Booklet ring (071) 925-2128.

[illegible]

MONEY MARKET FUNDS

FINANCIAL FUTURES AND OPTIONS

Price	Sep	Dec	Sep	Dec
6550	1.88	2.50	0.81	0.09
6600	1.39	2.06	0.02	0.15
6650	0.93	1.64	0.06	0.23
6700	0.53	1.27	0.16	0.36
6750	0.25	0.94	0.38	0.53
6800	0.10	0.68	0.73	0.77
6850	0.04	0.47	1.17	1.06
6900	0.02	0.31	1.65	1.40

Estimated volume total, Cails 2457 Pats 1567
 Previous day's open int. Cails 153539 Pats 115617

Strike	Calls-settlements	Puts-settlements
Price	Sett	Sett
8075	0.97	0.01
8080	0.73	0.22
8085	0.51	0.49
8090	0.31	0.79
8095	0.15	1.02
8100	0.06	1.15
8105	0.02	1.23
8110	0.01	1.33
8115	0.01	1.48
8120	0.01	1.66

3227 Puts 9205
 Previous day's open Int. Calls 100872 Puts 93131

JAPANESE YEN (DM)				
¥12.5m \$ per ¥100				
	Close	High	Low	Prev
Sep	0.7827	0.7841	0.7787	0.7803
Oct	0.7817	0.7824	0.7811	0.7794
Mar	0.7818	0.7823	-	0.7790

DEUTSCHE MARK (DM)				
DM125,000 \$ per DM				
	Close	High	Low	Prev
Sep	0.6649	0.6700	0.6618	0.6599
Oct	0.6593	0.6595	0.6565	0.6598
Mar	0.6502	0.6500	0.6480	0.6498

	Close	High	Low	Prev.
Sep	96.51	96.53	96.51	96.51
Oct	96.15	96.18	96.15	96.15
Nov	96.07	96.15	96.09	96.10
Dec	95.77	95.82	95.79	95.81
Jan	95.38	95.47	95.35	95.46
Feb	95.20	94.98	94.78	94.86
Mar	94.63	94.77	94.74	94.68

	94.29	94.36	94.38	94.33
STANDARD & POOR'S 500 INDEX				
5500 Times Index				
	Close	High	Low	Prev.
Sep	411.00	412.65	410.90	411.25
Dec	411.50	413.05	411.40	411.75
Mar	412.20	413.40	412.30	412.45
Jun	413.20	414.40	413.30	413.45

	Aug	Sept	Oct	Dec
36	0.03	0.61	1.50	5.21
41	0.21	1.11	2.25	4.11
75	0.61	1.62	5.19	1.31
32	1.34	2.82	4.49	6.75
35	2.38	4.26	6.01	8.27
42	4.36	5.98	7.69	10.05
84	6.47	7.98	9.81	11.92

All currencies
 currencies

High	Low	% Yield	Open Int.
105.72	105.42	9.10	134,328
106.00	105.74	9.05	43,423
106.40	106.38	8.99	10,013

Bank offered rates			
89.82	89.76	10.21	22,627
90.02	89.98	9.99	22,559
90.34	90.31	9.66	5,993
90.58	90.57	9.42	4,105

1794.0	1794.9	-	11.9%
1767.0	1748.5	-	5.4%
1782.0	1766.0	-	4.7%
182.52	182.28	9.61	14.0%
		9.58	46

March	September	December	March
-	0.19	0.71	-
-	0.42	1.01	-
-	0.86	1.43	-
-	1.98	1.97	-
-	2.42	-	-
8,389	139,326	65,982	5,766

ING RATES

Rank	Company	Value
10	McDonnell Douglas Bk.	2.9
10	Midland Bank	3.0
11	Mount. Banking	3.0
10	Nat. Westminster	3.0
10	Northern Bk. Ltd.	3.0
10.5	Nyfedra Mortgage Bank	10.5
10	Provincial Bank PLC	3.4
10	• Ren Brothers	3.4
10.5	Reedbank Bank Ltd.	3.4
10	Royal Bk. of Scotland	3.0
10	• Smith & Williams Secs.	3.0

Standard Chartered	10	10
TSB	10	10
Ubsbank plc	13.5	10
United Bk of Kuwait	10	10
Unity Trust Bank Plc	10	10
Western Trust	10	10
Whitecourt Ltd	10	10
Yorkshire Bank	10	10
Members of British Merchant Banking & Securities Houses Association	10	10

FT LONDON INTERBANK FIXING

MANAGEMENT

FINANCIALS MAGAZINE

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Carruth & Co			
Reserve Account			
440 Second, Los Angeles WC2R 005		071-733	
For personal customers			
Cost	\$20,000	8.09	8.38
		4.72	7.85

[illegible]

£50,000-249,999	9.0	6.75	9.51
£250,000-499,999	4.25	7.22	9.98
£500,000+ Money Market Rates on request			

Barclays Money Management Ltd
 16-18 Moorgate St London EC3R 8QJ 071-236 1
 NICA £10,000+ 18.25 6.18 8.5013

[illegible]

P13 122, Northampton		0604 220000	125,000 and above	0.125	0.04	0.04
125,000-129,999	5.30	6.88	6,666	0.125	0.04	0.04
130,000-139,999	5.30	6.88	6,666	0.125	0.04	0.04
140,000-149,999	7.00	8.25	11,430	0.125	0.04	0.04
150,000-159,999	7.75	9.25	11,430	0.125	0.04	0.04
160,000-169,999	7.75	9.25	11,430	0.125	0.04	0.04
170,000-179,999	7.75	9.25	11,430	0.125	0.04	0.04
180,000-189,999	7.75	9.25	11,430	0.125	0.04	0.04
190,000-199,999	7.75	9.25	11,430	0.125	0.04	0.04
200,000-209,999	7.75	9.25	11,430	0.125	0.04	0.04
210,000-219,999	7.75	9.25	11,430	0.125	0.04	0.04
220,000-229,999	7.75	9.25	11,430	0.125	0.04	0.04
230,000-239,999	7.75	9.25	11,430	0.125	0.04	0.04
240,000-249,999	7.75	9.25	11,430	0.125	0.04	0.04
250,000-259,999	7.75	9.25	11,430	0.125	0.04	0.04
260,000-269,999	7.75	9.25	11,430	0.125	0.04	0.04
270,000-279,999	7.75	9.25	11,430	0.125	0.04	0.04
280,000-289,999	7.75	9.25	11,430	0.125	0.04	0.04
290,000-299,999	7.75	9.25	11,430	0.125	0.04	0.04
300,000-309,999	7.75	9.25	11,430	0.125	0.04	0.04
310,000-319,999	7.75	9.25	11,430	0.125	0.04	0.04
320,000-329,999	7.75	9.25	11,430	0.125	0.04	0.04
330,000-339,999	7.75	9.25	11,430	0.125	0.04	0.04
340,000-349,999	7.75	9.25	11,430	0.125	0.04	0.04
350,000-359,999	7.75	9.25	11,430	0.125	0.04	0.04
360,000-369,999	7.75	9.25	11,430	0.125	0.04	0.04
370,000-379,999	7.75	9.25	11,430	0.125	0.04	0.04
380,000-389,999	7.75	9.25	11,430	0.125	0.04	0.04
390,000-399,999	7.75	9.25	11,430	0.125	0.04	0.04
400,000-409,999	7.75	9.25	11,430	0.125	0.04	0.04
410,000-419,999	7.75	9.25	11,430	0.125	0.04	0.04
420,000-429,999	7.75	9.25	11,430	0.125	0.04	0.04
430,000-439,999	7.75	9.25	11,430	0.125	0.04	0.04
440,000-449,999	7.75	9.25	11,430	0.125	0.04	0.04
450,000-459,999	7.75	9.25	11,430	0.125	0.04	0.04
460,000-469,999	7.75	9.25	11,430	0.125	0.04	0.04
470,000-479,999	7.75	9.25	11,430	0.125	0.04	0.04
480,000-489,999	7.75	9.25	11,430	0.125	0.04	0.04
490,000-499,999	7.75	9.25	11,430	0.125	0.04	0.04
500,000-509,999	7.75	9.25	11,430	0.125	0.04	0.04
510,000-519,999	7.75	9.25	11,430	0.125	0.04	0.04
520,000-529,999	7.75	9.25	11,430	0.125	0.04	0.04
530,000-539,999	7.75	9.25	11,430	0.125	0.04	0.04
540,000-549,999	7.75	9.25	11,430	0.125	0.04	0.04
550,000-559,999	7.75	9.25	11,430	0.125	0.04	0.04

1 Promissory Note, EDCM 7.75%	07/28/99	4000	Albery Group & Albery St. Realty, 1411 St. Albans Rd., St. Albans, VT 05478	07/28/99	4000
12,500-219,999	8.25%	4,111	100	10.00	7,901
200,000-499,999	8.50%	4,583			
500,000-999,999	9.00%	4,583			
1,000,000-1,499,999	9.50%	4,583			
1,500,000-1,999,999	9.75%	4,583			
2,000,000-2,499,999	10.00%	4,583			
2,500,000-2,999,999	10.25%	4,583			
3,000,000-3,499,999	10.50%	4,583			
3,500,000-3,999,999	10.75%	4,583			
4,000,000-4,499,999	11.00%	4,583			
4,500,000-4,999,999	11.25%	4,583			
5,000,000-5,499,999	11.50%	4,583			
5,500,000-5,999,999	11.75%	4,583			
6,000,000-6,499,999	12.00%	4,583			
6,500,000-6,999,999	12.25%	4,583			
7,000,000-7,499,999	12.50%	4,583			
7,500,000-7,999,999	12.75%	4,583			
8,000,000-8,499,999	13.00%	4,583			
8,500,000-8,999,999	13.25%	4,583			
9,000,000-9,499,999	13.50%	4,583			
9,500,000-9,999,999	13.75%	4,583			
10,000,000-10,499,999	14.00%	4,583			
10,500,000-10,999,999	14.25%	4,583			
11,000,000-11,499,999	14.50%	4,583			
11,500,000-11,999,999	14.75%	4,583			
12,000,000-12,499,999	15.00%	4,583			
12,500,000-12,999,999	15.25%	4,583			
13,000,000-13,499,999	15.50%	4,583			
13,500,000-13,999,999	15.75%	4,583			
14,000,000-14,499,999	16.00%	4,583			
14,500,000-14,999,999	16.25%	4,583			
15,000,000-15,499,999	16.50%	4,583			
15,500,000-15,999,999	16.75%	4,583			
16,000,000-16,499,999	17.00%	4,583			
16,500,000-16,999,999	17.25%	4,583			
17,000,000-17,499,999	17.50%	4,583			
17,500,000-17,999,999	17.75%	4,583			
18,000,000-18,499,999	18.00%	4,583			
18,500,000-18,999,999	18.25%	4,583			
19,000,000-19,499,999	18.50%	4,583			
19,500,000-19,999,999	18.75%	4,583			
20,000,000-20,499,999	19.00%	4,583			
20,500,000-20,999,999	19.25%	4,583			
21,000,000-21,499,999	19.50%	4,583			
21,500,000-21,999,999	19.75%	4,583			
22,000,000-22,499,999	20.00%	4,583			
22,500,000-22,999,999	20.25%	4,583			
23,000,000-23,499,999	20.50%	4,583			
23,500,000-23,999,999	20.75%	4,583			
24,000,000-24,499,999	21.00%	4,583			
24,500,000-24,999,999	21.25%	4,583			
25,000,000-25,499,999	21.50%	4,583			
25,500,000-25,999,999	21.75%	4,583			
26,000,000-26,499,999	22.00%	4,583			
26,500,000-26,999,999	22.25%	4,583			
27,000,000-27,499,999	22.50%	4,583			
27,500,000-27,999,999	22.75%	4,583			
28,000,000-28,499,999	23.00%	4,583			
28,500,000-28,999,999	23.25%	4,583			
29,000,000-29,499,999	23.50%	4,583			
29,500,000-29,999,999	23.75%	4,583			
30,000,000-30,499,999	24.00%	4,583			
30,500,000-30,999,999	24.25%	4,583			
31,000,000-31,499,999	24.50%	4,583			
31,500,000-31,999,999	24.75%	4,583			
32,000,000-32,499,999	25.00%	4,583			
32,500,000-32,999,999	25.25%	4,583			
33,000,000-33,499,999	25.50%	4,583			
33,500,000-33,999,999	25.75%	4,583			
34,000,000-34,499,999	26.00%	4,583			
34,500,000-34,999,999	26.25%	4,583			
35,000,000-35,499,999	26.50%	4,583			
35,500,000-35,999,999	26.75%	4,583			
36,000,000-36,499,999	27.00%	4,583			
36,500,000-36,999,999	27.25%	4,583			
37,000,000-37,499,999	27.50%	4,583			
37,500,000-37,999,999	27.75%	4,583			
38,000,000-38,499,999	28.00%	4,583			
38,500,000-38,999,999	28.25%	4,583			
39,000,000-39,499,999	28.50%	4,583			
39,500,000-39,999,999	28.75%	4,583			
40,000,000-40,499,999	29.00%	4,583			
40,500,000-40,999,999	29.25%	4,583			
41,000,000-41,499,999	29.50%	4,583			
41,500,000-41,999,999	29.75%	4,583			
42,000,000-42,499,999	30.00%	4,583			
42,500,000-42,999,999	30.25%	4,583			
43,000,000-43,499,999	30.50%	4,583			
43,500,000-43,999,999	30.75%	4,583			
44,000,000-44,499,999	31.00%	4,583			
44,500,000-44,999,999	31.25%	4,583			
45,000,000-45,499,999	31.50%	4,583			
45,500,000-45,999,999	31.75%	4,583			
46,000,000-46,499,999	32.00%	4,583			
46,500,000-46,999,999	32.25%	4,583			
47,000,000-47,499,999	32.50%	4,583			
47,500,000-47,999,999	32.75%	4,583			
48,000,000-48,499,999	33.00%	4,583			
48,500,000-48,999,999	33.25%	4,583			
49,000,000-49,499,999	33.50%	4,583			
49,500,000-49,999,999	33.75%	4,583			
50,000,000-50,499,999	34.00%	4,583			
50,500,000-50,999,999	34.25%	4,583			
51,000,000-51,499,999	34.50%	4,583			
51,500,000-51,999,999	34.75%	4,583			
52,000,000-52,499,999	35.00%	4,583			
52,500,000-52,999,999	35.25%	4,583			
53,000,000-53,499,999	35.50%	4,583			
53,500,000-53,999,999	35.75%	4,583			
54,000,000-54,499,999	36.00%	4,583			
54,500,000-54,999,999	36.25%	4,583			
55,000,000-55,499,999	36.50%	4,583			
55,500,000-55,999,999	36.75%	4,583			
56,000,000-56,499,999	37.00%	4,583			
56,500,000-56,999,999	37.25%	4,583			
57,000,000-57,499,999	37.50%	4,583			
57,500,000-57,999,999	37.75%	4,583			
58,000,000-58,499,999	38.00%	4,583			
58,500,000-58,999,999	38.25%	4,583			
59,000,000-59,499,999	38.50%	4,583			
59,500,000-59,999,999	38.75%	4,583			
60,000,000-60,499,999	39.00%	4,583			
60,500,000-60,999,999	39.25%	4,583			
61,000,000-61,499,999	39.50%	4,583			
61,500,000-61,999,999	39.75%	4,583			
62,000,000-62,499,999	40.00%	4,583			
62,500,000-62,999,999	40.25%	4,583			
63,000,000-63,499,999	40.50%	4,583			
63,500,000-63,999,999	40.75%	4,583			
64,000,000-64,499,999	41.00%	4,583			
64,500,000-64,999,999	41.25%	4,583			
65,000,000-65,499,999	41.50%	4,583			
65,500,000-65,999,999	41.75%	4,583			
66,000,000-66,499,999	42.00%	4,583			
66,500,000-66,999,999	42.25%	4,583			
67,000,000-67,499,999	42.50%	4,583			
67,500,000-67,999,999	42.75%	4,583			
68,000,000-68,499,999	43.00%	4,583			
68,500,000-68,999,999	43.25%	4,583			
69,000,000-69,499,999	43.50%	4,583			
69,500,000-69,999,999	43.75%	4,583			
70,000,000-70,499,999	44.00%	4,583			
70,500,000-70,999,999	44.25%	4,583			
71,000,000-71,499,999	44.50%	4,583			
71,500,000-71,999,999	44.75%	4,583			
72,000,000-72,499,999	45.00%	4,583			
72,500,000-72,999,999	45.25%	4,583			
73,000,000-73,499,999	45.50%	4,583			
73,500,000-73,999,999	45.75%	4,583			
74,000,000-74,499,999	46.00%	4,583			
74,500,000-74,999,999	46.25%	4,583			
75,000,000-75,499,999	46.50%	4,583			
75,500,000-75,999,999	46.75%	4,583			
76,000,000-76,499,999	47.00%	4,583			
76,500,000-76,999,999	47.25%	4,583			
77,000,000-77,499,999	47.50%	4,583			
77,500,000-77,999,999	47.75%	4,583			
78,000,000-78,499,999	48.00%	4,583			
78,500,000-78,999,999	48.25%	4,583			
79,000,000-79,499,999	48.50%	4,583			
79,500,000-79,999,999	48.75%	4,583			
80,000,000-80,499,999	49.00%	4,583			
80,500,000-80,999,999	49.25%	4,583			
81,000,000-81,499,999	49.50%	4,583			
81,500,000-81,999,999	49.75%	4,583			
82,000,000-82,499,999	50.00%	4,583			
82,500,000-82,999,999	50.25%	4,583			
83,000,000-83,499,999	50.50%	4,583			
83,500,000-83,999,999	50.75%	4,583			
84,000,000-84,499,999	51.00%	4,583			
84,500,000-84,999,999	51.25%	4,583			
85,000,000-85,499,999	51.50%	4,583			
85,500,000-85,999,999	51.75%	4,583			
86,000,000-86,499,999	52.00%	4,583			
86,500,000-86,999,999	52.25%	4,583			
87,000,000-87,499,999	52.50%	4,583			
87,500,000-87,999,999	52.75%	4,583			
88,000,000-88,499,999	53.00%	4,583			
88,500,000-88,999,999	53.25%	4,583			
89,000,000-89,499,999	53.50%	4,583			
89,500,000-89,999,999	53.75%	4,583			
90,000,000-90,499,999	54.00%	4,583			
90,500,000-90,999,999	54.25%	4,583			
91,000,000-91,499,999	54.50%	4,583			
91,500,000-91,999,999	54.75%	4,583			
92,000,000-92,499,999	55.00%	4,583			
92,500,000-92,999,999	55.25%	4,583			
93,000,000-93,499,999	55.50%	4,583			
93,500,000-93,999,999	55.75%	4,583			
94,000,000-94,499,999	56.00%	4,583			
94,500,000-94,999,999	56.25%	4,583			
95,000,000-95,499,999	56.50%	4,583			
95,500,000-95,999,999	56.75%	4,583			
96,000,000-96,499,999	57.00%	4,583			
96,500,000-96,999,999	57.25%	4,583			
97,000,000-97,499,999	57.50%	4,583			
97,500,000-97,999,999	57.75%	4,583			
98,000,000-98,499,999	58.00%	4,583			
98,500,000-98,999,999	58.25%	4,5			

5% Floating Rate CLS	14.50	9.21	9.60	Yearly	130 Chesapeake, London	67.75	6.05	671-382	08
Co-operative Bank					110,000	6.75	6.75		
Debt JCO, Statewide, Loma					110,000	6.75	6.75		
TESSA	10.00			6-1 Yearly					
Investment 90-94 Bay	10.25	10.81	10.81	6-Mth	Western Trust High Interest Cheque Acc				
100,000	10.25	10.29	10.29	6-Mth	The Hongkong, Plymouth PL 158	67.00	6.00	670-224	08
100,000-224,799	9.00	9.00	9.00	6-Mth	100,000	6.75	6.75		
225,000-35,999	7.75	7.75	7.75	6-Mth	100,000-24,999	6.00	6.00	719	03
					Wimbledon & South West Finance PLC				

Heavens above, is the City a zoo?

CROSSWORD

[illegible]

ACROSS

1 Right in a face, smashing a bottle (5)
4 Is it an even chance the mator will have one? (4-2)
8 Bird from the lev north (7)

5 Starts by taking round the prisons (5)
6 A peevish dog fish (7)
7 Command all your attention before you move in (9)
10 K...

Change less and there will be a lower commission (8)
 6 Praises as "a really excellent product" (6,2)
 8 Disreputable and fishy! (5)
 9 Call Eastman back (4)
 11 It just goes to show the power of a producer (7)
 19 Separated while in a state of hypnosis (7)
 21 It softens the blow (5)
 22 Try to win round, in short (5)
 Solution to Puzzle No.7,909

DOWN

Feature a foreign country (5)
Turns the table to put it the
other way round (7)

100

WORLD STOCK MARKETS

[illegible][illegible]

CANADA																									
Sales			Stock			High			Low			Close			Chng										
TORONTO																									
4:00 pm prices July 27																									
Qualities in cents unless marked \$																									
5000 Ashlbr Pl	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
10000 Agriwheat	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
14000 Agr Cdn	510	510	510	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
20000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
40000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
60000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
80000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
10000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
12000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
14000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
16000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
18000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
20000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
22000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
24000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
26000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
28000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
30000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
32000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
34000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
36000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
38000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
40000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
42000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
44000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
46000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
48000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
50000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
52000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
54000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
56000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
58000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
60000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
62000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
64000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
66000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
68000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
70000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
72000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
74000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
76000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
78000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
80000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
82000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
84000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
86000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
88000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
90000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
92000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
94000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
96000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
98000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
100000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
102000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
104000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
106000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
108000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
110000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
112000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
114000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
116000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
118000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
120000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
122000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
124000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
126000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
128000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
130000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
132000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
134000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
136000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
138000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
140000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
142000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
144000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
146000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
148000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
150000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
152000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
154000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
156000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
158000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
160000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
162000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
164000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
166000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
168000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15	15	15	15	15	15	15								
170000 Alfalfa Br	515	515	515	15	15	15	15	15	15	15	15														

[illegible]

	97	94	93	92	HIGH	LOW	HIGH	LOW	AUSTRALIA	97	94	93	92	HIGH	LOW
Individuals	5382	20	5385	71	3240	94	3277	41	3413	21	3172	41	11	22	
					11	61			3413	21	3172	41	11	22	
					11	61			11	62	27	32			
Home Bank	101	65	101	64	101	47	101	35	101	65	54	59			

Transport	1276.53	1273.10	1265.76	1270.99	1460.68	1259.54	532.01	1170.53	Tracked boats (21/1/1)	765.77	771.06	794.36	643.19	1099.43 (24/2)	765.77 (27/2)
Utilities	219.70	218.52	217.83	218.14	207.02	205.54	236.23	10.50	BELGIUM						
					202.54	202.74	236.23	10.50	BELGIUM	1130.36	1131.96	1139.89	1135.15	1235.43 (26/1)	1067.23 (28/1)
					3.01	3.4	217.997	56.5450	DENMARK						
										200.74	200.74	200.74	199.83	244.26 (15/1)	244.26 (16/1)

STANDARD AND POOR'S										
Composite 1	411.54	411.60	412.08	410.93	420.77	394.50	420.77	440		
FINLAND										
HEX General (28/12/90)						668.3	674.7	706.1	714.8	615.90 (24/2)
CAC France (31/12/89)						478.79	476.23	476.08	481.53	455.52 (2/0)
Composite 2						411.54	411.60	412.08	410.93	420.77

[illegible]

Agency	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	300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	Jul 24	Jul 17	Jul 10	year ago (approx.)	
					LSE General (21/9/04)
					780 0 747 0 800 0 803 0
					1066 0 1032 0 780 0 1371
					JAPAN
					2187 34 15947 7 14699 4 15541 9
					23801 18 31410 3
Dom Intestnat Div. Yield	3 17	3 13	3 13	3 10	
					2187 34 15947 7 14699 4 15541 9
					23801 18 31410 3
					1763 0 1741 0 1767 0 1765 0
					2459 0 2451 0 2477 0
					1765 0 1767 0 1765 0
					2459 0 2451 0 2477 0

& P Industrial debt yield	2.66	2.64	2.68	2.77
& P Int. P/E ratio	28.50	28.95	29.15	19.02

MALAYSIA				
PLSE Composite 144/280	599.70	913.53	602.24	608.79
	619.06 (202)			546.81 (141)

NETHERLANDS				
AMS 100 New Gen 15481	285.0	287.3	299.1	289.6
AMS All Ser 15481	194.7	196.4	197.6	197.6
	314.90 (40)			274.00 (40)
	215.50 (20)			192.00 (40)

[illegible][illegible]

Boeing	1,570,300	39%	- 1/2	Unchanged	584	590	61.8	SPAIN	281.66	283.24	280.20	282.96	281.80	282.30	281.11
Gen Motors	1,211,600	39 1/2	+ 1/2	New York	76	94	58	FRANCE	212.62	214.24	214.03	215.10	209.51	209.62	212.82
Stearns Case	1,200,300	18 1/2	- 3	New Lear	28	35	30	SWEDEN							
								Aluminium	611.80	634.70	639.40	651.5	1019.50	1115.5	634.70
								Aluminium	611.80	634.70	639.40	651.5	1019.50	1115.5	634.70

CANADA									
SWITZERLAND									
Swiss Bank Int. CH/1250									
	149.3	798.8	801.6	799.7		883.46	1145.5	748.50	881.1
SBC General 1/4/87									
	608.3	607.9	608.0	607.2		662.30	1115.0	501.10	781.1
TAYMAN									
Investment Pwr 3/10/86									
	4009.22	4022.16	3978.57	4154.60		5391.65	3309.11	3978.67	4237.7

TORONTO									
	Jul	Aug	Jul	Jul	Jul	1995			
	27	24	23	22		HIGH	LOW		
								WORLD TRADING STOCK EXCHANGES	
								734.94	746.16 753.92 757.96 832.39 774.1
									667.04 1195.5
Metals & Mineral	3070.65	3162.00	3081.36	3126.11	3123.87	1161.14	2628.26	844.14	
Copper	3376.04	3460.87	3412.20	3412.10	3466.00	1161.14	3318.10	1041.14	
Energy	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Commodities	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Stocks	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Options	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Derivatives	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Exchange Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Interest Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Commodities	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Options	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Derivatives	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Exchange Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Interest Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Commodities	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Options	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Derivatives	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Exchange Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Interest Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Commodities	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Options	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Derivatives	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Exchange Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Interest Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Commodities	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Options	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Derivatives	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Exchange Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Interest Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Commodities	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Options	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Derivatives	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Exchange Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Interest Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Commodities	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Options	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Derivatives	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Exchange Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Interest Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Commodities	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Options	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Derivatives	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Exchange Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Interest Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Commodities	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Options	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Derivatives	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Exchange Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Interest Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Commodities	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Options	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Derivatives	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Exchange Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Interest Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Commodities	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Options	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Derivatives	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Exchange Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Interest Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Commodities	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Options	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Derivatives	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
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Commodities	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
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Interest Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
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Options	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Derivatives	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Exchange Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Interest Rates	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Commodities	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Options	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	
Derivatives	10.00	10.00</							

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TOKYO - Most Active Stocks

Monday 27 July 1982							
	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Meln Milk Prod	34	\$54	-28	Norfolk's Sec	21	1,200	+10
	3	\$44	-7	Mississippi Ind		1,200	-5

Nippon Yusen	2.5	165	7	Nichinichi	1.9	531	-1
Carnegie Inc.	2.4	1,546	-20	Mitsui-bussan Kaisha	1.9	850	40
C-Trade	2.1	360	-3	Hokuriku	1.9	732	-13

(Excuse us for asking)

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FINANCIAL TIMES
SINCE 1888 - BUSINESS NEWS PAPER

^

4:00 pm prices July 27

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1992						1992					
High	Low	% Chg	Vol	Pk Stk	Clos	High	Low	% Chg	Vol	Pk Stk	Clos
27.16	26.98	+0.18	10	10	27.16	27.16	27.16	+0.00	10	10	27.16

Samsung Personal Fax	SF 2200
Automatic Paper Cutter	
Multi-function LCD Display	
SAMSUNG	
Technology that works for life.	

Continued on next page

4:00 pm prices July 21

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BUSINESS LOCATIONS IN EUROPE

The FT proposes to publish this survey on **October 21 1992.**

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FT SURVEYS

WORLD STOCK MARKETS

AMERICA

Poor building data outweigh positive news

Wall Street

US SHARE prices ended slightly lower in light trading yesterday after some disappointing news from the housing and construction markets had outweighed good news elsewhere, writes Patrick Harrison in New York.

The Dow Jones Industrial Average was down 3.51 at 3,282.20. The Standard & Poor's 500 ended a touch easier, off 0.05 at 411.55.

The market has been hurt by revelations that stockbrokers lost around \$500m in May and June as higher interest rates eroded the value of government bonds they had bought.

The day's only economic news was broadly negative. The National Association of Realtors announced a 2.9 per cent fall in June existing home sales, while the Commerce Department revised its June building estimates down to 2.1 per cent from 1.3 per cent.

The figures proved to be rather more of an influence on sentiment than the good news of the apparent resolution of a confrontation between Iraq and the UN, lower Japanese interest rates, and some selected strong second quarter corporate results.

Among the stocks buoyed early on by good earnings figures was Goodyear, which rose more than 1% at the start, but receded later with the market to end down 5% at \$62.25 after

news of second quarter net income of \$1.54 a share, up sharply from last year, although the figures were partly boosted by special items. Stanhome advanced 2% to \$32 1/2 on second quarter earnings of 57 cents a share, up from 47 cents a year ago and slightly higher than the average of analysts' forecasts.

ADRs in Wellcome, the UK drugs group, made their debut, finishing at \$15 1/2. In turnover of 14m, making the stock the day's leading active. Drug issues were generally firmer in the wake of the Wellcome issue. Merck advanced 1% to \$60 1/2 in turnover of 1.8m shares. Johnson & Johnson \$1 to \$47 1/2 and Pfizer \$1 to \$76 1/2. DMC Fertiliser climbed 1% to \$41 after Dean Witter Reynolds, the Wall Street brokerage, upgraded the stock from a "hold" to an "aggressive buy".

On the Nasdaq market, Novell fell \$2 to \$32 after Dean Witter downgraded its investment rating from a "buy" to a "hold", citing domestic business worries.

Canada

TORONTO stocks closed steady after quiet trading. The TSE 300 index lost 4.4 to 3,386.5, while advances narrowly led declines by 254 to 249 after volume of 19.2m shares. Inco, off 0.3% at \$38 1/2, reported a second-quarter loss of 3 US cents a share, against a year-earlier profit of 28 cents.

SOUTH AFRICA

JOHANNESBURG drifted lower in quiet trading, as the overall index fell 31 to 3,345. Industrials lost 26 to 4,102 and golds dropped 24 to 1,098. Weakness in De Beers, down \$1 to \$75.25, spilled into Anglo, \$2 lower at \$112.75.

EUROPE

Most bourses start the week on a firmer note

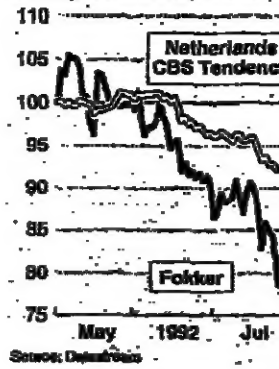
MOST BOURSES started the week on a firmer note but trading remained thin, writes Our Markets Staff.

FRANKFURT rose in quiet trading but sentiment remained nervous. The DAX closed up 7.67 at 1,618.09 while the FAZ was down 1.58 at 638.36 at mid-session. Turnover fell to DM4.2bn from DM4.9bn.

The chemical and car sectors were active. A recommendation by Salomon Brothers yesterday to switch out of Bayer into BASF had no effect on the shares with Bayer up DM3.90 at DM263.50 and BASF up DM4.90 at DM218. The broker argues for the switch on the grounds that the outlook for plastics has improved while "prospects for pharmaceuticals have been tainted by government cost-cutting plans".

Volkswagen advanced DM5.70 to 1.6 per cent at DM254.50 while Porsche was one of the losers, down DM4 to DM500. Daimler, whose Dasa division announced its acquisition of Dutch aircraft

Share price and index rebound



Source: DataStream

maker Fokker on Friday, put on DM3 to DM701.

With half-year results due in the next couple of weeks, the banking sector began to reflect market uncertainty. Commerzbank lost DM1 to DM227. Deutsche Bank was up DM3 to DM645.50 and Dresdner gained DM1 to DM225.

AMSTERDAM fell following the announcement after Friday's close that agreement had

FT-SE Eurotrack 100 - Jul 27

Hourly changes						
Open	10.30am	11 am	12 pm	1 pm	2 pm	3 pm
1051.44	1052.01	1051.36	1053.33	1055.08	1055.70	1056.98
Day's High			1067.67	Day's Low 1050.84		
Jul 24		Jul 23	Jul 22	Jul 21		
1052.53		1058.53	1080.97	1075.64		

been reached on Dasa's takeover of Fokker. The CBS Tendency index lost 0.7 to 114.6.

The aircraft manufacturer dropped to a year's low of F1 56.40 before improving slightly to close down F1 11.0 or 2.8 per cent to F1 27.50. Some analysts said minority shareholders were selling out now that Dasa no longer had to buy shares in the market to accumulate a stake.

The chemical groups Akzo and DSM weakened on forecasts of disappointing half-year results from DSM on Thursday. Akzo was down F1 2.40 at F1 133.40 while DSM shed F1 1.70 to F1 97.70. Elsewhere Nedlloyd sank to a year's low,

off 80 cents at F1 44.10 and the weaker dollar took F1 2.40 off Unilever to F1 177.60.

PARIS rose on the first day of the new account as dealers bought stocks which had been out of favour in the previous trading period. LVMH jumped FFR153 or 4.5 per cent to FFR3,580 in low volume of 9,170 and Suze added FFR7 to FFR261. The CAC 40 index added 20.73 to 1,765.35 in thin turnover of FFR1.2bn.

BSN remained weak, losing FFR10 to FFR1,033 following news last week that the food company planned to limit voting rights. The stock was also weak on concerns that BSN might not be able to consol-

date Volvic into this year's accounts. Euro Disney remained on its downward trend, falling FFR1.40 to FFR94.75.

MILAN was lifted off the day's lows as prices recovered slightly in the after-market but dealers said the outlook remained bearish. The Comit index fell 7.98 to 383.38 in turnover estimated at around 1.65bn after Friday's L102.4bn.

Blue chips bore the brunt of the day's fall, with Fiat losing L146 or 3.3 per cent to L4,409 following Friday's news of the arrest of a senior executive at one of its subsidiaries in connection with the Milan bribery scandal.

Banks were mostly weaker but San Paolo stood L10 higher at L10,650 after reporting that gross operating profit rose 25 per cent in the first half.

ISTANBUL leapt 3.7 per cent as hopes of lower bank deposit rates were revived by a newspaper report that Turkey's biggest state-run bank, Ziraat, was planning a rate cut. The

75-share index closed at 4,210.05, up 150.33. ZUEICE was quiet with the SMI index closing up 5.1 at 1,781.9. The banking sector advanced following last week's cut in interest rates. Union Bank bearers rose SFr3 to SFr887.

STOCKHOLM recovered in thin trading, as the Affarsvärlden General index rose 7.1 to 841.8 as turnover slipped to SKr159m from SKr319m. OSLO's all-share index rose 2.26 to 380.30 in low turnover of Nkr118.6m, in spite of disappointing first-half results from Norsk Hydro which fell Nkr2.5 to Nkr146.6. VIENNA hit another new low, the 15-share ATX index ended 5.29 down at 765.77.

Cresvale Limited
The host of the seminar on Polish equities referred to in an article published on this page on Saturday was Cresvale Limited and not Cresvale Securities.

ASIA PACIFIC

Discount rate cut fails to boost confidence in Japan

Tokyo

A CUT in the official discount rate failed to boost confidence, and the Nikkei average fell to another six-year low as afternoon selling erased morning gains, writes Emilio Terazono in Tokyo.

The 225-issue average lost 124 1/2 to 15,373.34, its lowest since March 1986. The index registered a high for the day of 15,974.31 in the morning on the Bank of Japan's half-point cut in the discount rate to 3.25 per cent. However, buying by dealers petered out as investors remained reluctant to commit new funds to the market, and the index dropped to the session's low of 15,288.34 in the afternoon.

Volume was still thin, totaling 222m shares against Friday's 301m. Falls outpaced rises by 625 to 299, with 199 issues unchanged. The Topix index of all first section stocks shed 10.61 to 1,183.94, slipping

below the year's low recorded in April, and in London the ISE/Nikkei 50 index eased 0.94 to 834.66.

Traders said favourable domestic factors - the discount rate cut and the ruling Liberal Democratic Party's victory in Sunday's upper house elections - were already discounted. Last Friday's emergency cabinet meeting convened by Mr Kiichi Miyazawa, the prime minister, to discuss support measures for the stock market and the economy did not produce specific results.

Mr Hiromichi Ishikawa, managing director at Yamaichi Securities, said: "Investors do not think the support measures for the economy will have a direct impact on the stock market. What the market needs is something that works immediately."

Blue chip electricals declined, Hitachi falling Y13 to Y232. Nippon Telegraph and Telephone lost Y9,000 to Y582,000. Dealers took profits

in speculative theme stocks: Meiji Milk Products, the day's most active issue, receded Y26 to Y894.

Daikyo, the condominium developer, plunged Y77 to an all-time low of Y54 on further rumours of financial troubles. In Osaka, the OSE average slipped 207.70 to 17,732.33, its lowest since November 1986. Volume dropped to 8.5m shares from Friday's heavy 24m.

Roundup

THE Japanese discount rate reduction also failed to cheer other Pacific Rim markets yesterday.

BANGKOK was pulled lower by the debut of Thai Airways International shares, the largest issue ever offered on the exchange. The SET index lost 11.22, or 1.5 per cent, to 734.94 in a turnover of Bt4.88bn. Thai Airways fell Bt5.50 from the opening level to end at Bt55.50, almost losing a day's limit of 10 per cent.

BOMBAY rose sharply after a court ruled in favour of a BSE petition to free shares seized by the government in connection with a financial scandal. Brokers ended their trading boycott and the BSE index leapt 125.81, or 4.7 per cent, to 2,804.15.

KARACHI continued to slide as investors were discouraged by political uncertainty, caused by a split between the ruling coalition and one of its allies in Karachi, writes Farhan Bokhari in Islamabad.

The KSE-100 index broke through the 1,400 support level to close at 1,384.94, down 18.41 or 1.3 per cent.

HONG KONG reversed early gains, the Hang Seng index ending a net 108.37, or 1.9 per cent, off at 5,694.3 in turnover of HK\$3.44bn. Active issues included HSBC Holdings, down 50 cents at HK\$1.60, and Cheung Kong, 30 cents cheaper at HK\$4.00.

SINGAPORE saw profit-taking after climbing sharply in early trading. The Straits Times Industrial index was finally 21.03 up at 1,422.34. SIA rose \$1 to \$12.70 on news of a proposed one-for-one scrip issue, but the foreign shares were unchanged at \$817.30. Incheap gained 30 cents to \$86.72 on reports that it was distributing \$810m to shareholders.

SEOUL's composite index dipped 4.28 to 517.48 in thin trading. Turnover came to Won121bn, against Won142bn during Saturday's half-day session. Declines outpaced gains by 486 to 218.

TAIWAN retreated on profit-taking and the weighted index, which had gained more than 50 points earlier in the day, closed 10.83 down at 4,008.22. Turnover amounted to T\$23.94bn, after Saturday's T\$17.5bn.

MANILA gained ground on optimism about the prospects for economic recovery. The composite index climbed 11.71 to 1,475.10. Advances outnumbered declines by 46 to 25.

Combined turnover expanded to 239.3m pesos from 252m. Philippine National Bank lost 5 pesos to 290 pesos, while Philippine Long Distance Telephone added 10 pesos at 1,040 pesos.

KUALA LUMPUR fell in dull trading. The composite index lost 2.93 to 589.70. Falls led gains by 180 to 51 as volume shrank to 62m shares from Friday's 70m. Investors took profits in Telekom, which declined 30 cents to M\$13.40.

AUSTRALIA eased as investors remained cautious ahead of tomorrow's second quarter inflation figures. The All Ordinaries index slipped 3.3 to 1,806.3 in turnover of A\$200.9m. Among active stocks, BHP fell 6 cents to A\$13.46 and News Corp gained 20 cents to A\$22.14. GIO, which was listed last week, saw 8.5m shares traded and weakened 8 cents to A\$2.42.

NEW ZEALAND's NZSE-40 index closed 1.78 higher at 1,550.51 in turnover of NZ\$33m.

State's impotence fuels Milan's fall

MARKETS IN PERSPECTIVE

	% change in local currency				% change in US \$			
	1 Week	4 Weeks	1 Year	Start of 1992	Start of 1992	Start of 1992	Start of 1992	Start of 1992
Austria	-7.12	-14.92	-27.55	-10.77	-10.99	-9.60	-10.99	-9.60
Belgium	-2.81	-1.92	-3.49	-0.88	-1.29	+0.24	-1.29	+0.24
Denmark	-2.78	-5.75	-20.84	-14.12	-23.45	-12.11	-23.45	-12.11
Finland	-5.22	-10.77	-27.95	-9.75	-10.24	-8.84	-10.24	-8.84
France	-3.40	-5.94	-0.41	-0.95	-0.19	+1.36	-0.19	+1.36
Germany	-0.07	-0.13	-5.52	-0.26	-0.63	+0.89	-0.63	+0.89
Ireland	-2.35	-3.56	-12.08	-7.97	-7.69	-6.26	-7.69	-6.26
Italy	-8.00	-13.58	-28.13	-18.53	-19.27	-18.63	-19.27	-18.63
Netherlands	-2.45	-4.84	-1.80	-2.49	-2.03	-3.60	-2.03	-3.60
Norway	-2.04	-7.73	-27.22	-8.95	-9.31	-7.91	-9.31	-7.91
Spain	-4.37	-12.84	-19.01	-13.96	-14.07	-12.74	-14.07	-12.74
Sweden	-5.43	-9.06	-19.91	-2.72	-2.45	-0.93	-2.45	-0.93
Switzerland	-2.70	-4.88	+2.12	+6.05	+6.53	+8.17	+6.53	+8.17
UK	-2.42	-6.93	-8.27	-4.57	-4.37	-3.06	-4.37	-3.06
EUROPE	-3.57	-7.89	-8.10	-3.75	-3.69	-2.19	-3.69	-2.19
Australia	-1.27	-2.85	-0.15	-4.12	-7.25	-5.81	-7.25	-5.81
Hong Kong	-6.34	-6.68	+42.40	+35.81	+34.45	+36.53	+34.45	+36.53
Japan	-5.26	-1.54	-33.35	-30.27	-32.78	-31.73	-32.78	-31.73
Malaysia	-1.91	-0.51	-5.12	-3.30	+10.69	-12.41	+10.69	-12.41
New Zealand	-3.47	-0.22	+2.62	-2.43	-2.44	-0.92	-2.44	-0.92
Singapore	-3.83	-9.08	-5.03	-7.62	-8.86	-7.45	-8.86	-7.45
Canada	-1.99	+1.31	-5.81	-4.04	-8.28	-6.86	-8.28	-6.86
USA	-0.75	-2.13	+9.49	-1.24	-2.76	-1.24	-2.76	-1.24
Mexico	-6.58	+0.10	+2.77	+2.70	-1.11	+0.42	-1.11	+0.42
South Africa	-3.64	-7.83	-1.07	-2.29	-22.97	-21.78	-22.97	-21.78
WORLD INDEX	-2.63	-1.87	-9.09	-10.40	-12.15	-10.90	-12.15	-10.90

1 Based on July 24th 1992. Copyright, The Financial Times Limited, Goldman, Sachs & Co., and County NatWest Securities.

By Antonia Sharpe

The killing in Palermo of a second, leading anti-Mafia judge in as many months and the Italian state's clumsy handling of the liquidation of the state holding company Efim triggered an 8 per cent fall in the debilitated Milan stock market last week, taking its drop since the start of 1992 to 18.9 per cent.

Elsewhere, continued pessimism about 1992 corporate earnings prospects drove Japanese equities down by 5.3 per cent, which contributed to the 2.8 per cent decline in the FT-Actuaries World Index.

Analysts believe that the Italian stock market has further to fall, with some predicting that the Comit index could drop to 380. The index closed at 398.38 yesterday.

Mr Michael Piacitelli at County NatWest says there are suggestions that the government could abolish or amend the capital gains tax, introduced last year, and also remove stamp duty in order to support the stock market. Ambiguities

in the law protecting minority shareholders' interests are also expected to be clarified.

"However, the government cannot introduce too many incentives because it needs to keep domestic savings in the bond market," he says. He adds that a real yield of 10 per cent on government bonds cannot be squeezed at.

Vienna was the week's second worst performer, sliding 7.1 per cent following the release of disappointing first-half results from Wienerberger, the building materials company. The market had already been weakened by news on July 10 of heavy losses at oil company OMV.

Mexico retreated 6.5 per cent as the euphoria following the withdrawal of Mr Ross Perot from the US presidential election proved to be short-lived. The prospect of higher interest rates prompted investors to take profits.

Moreover, foreigners sold shares in the cement company Cemex, expressing their disapproval of its decision to buy Spain's two largest cement companies.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	MONDAY JULY 27 1992														FRIDAY JULY 24 1992														DOLLAR INDEX			
	US Dollar Index	Day's Change %	Point Sterling Index	Yen Index	DM Index	Local Currency Index	Local on CNY	Gross on Yen	US Dollar Index	Point Sterling Index	Yen Index	DM Index	Local Currency Index	1992 1987	1992 1992	1992 1992	Year ago approx															
Australia (69)	141.33	-0.5	109.39	114.08	109.00	128.33	-0.2	4.32	142.73	110.67	114.65	110.77	126.59	153.68	140.94	147.24																
Austria (15)	150.98	+0.3	116.85	121.88	116.45	115.48	-0.5	2.51	150.55	117.47	121.48	117.39	117.08	186.70	150.55	175.45																
Belgium (42)	145.74	+0.7	112.81	117.64	112.41	110.16	-0.1	5.53	144.65	112.91	112.81	112.80	112.27	135.67	127.33																	
Canada (114)	127.10	+0.1	98.37	102.95	98.02	103.43	-0.1	3.24	125.95	99.96	102.43	98.56	103.53	142.12	124.32	139.63																
Denmark (30)	239.81	+1.6	184.68	192.61	184.03	193.98	+0.6	1.39	224.82	153.22	189.46	185.65	184.34	226.81	192.54	252.12																
Finland (15)	70.36	-1.1	54.46	56.80	54.27	60.00	-1.8	2.35	71.92	57.99	57.29	55.44	61.11	88.80	70.36	96.86																
France (104)	155.84	+0.2	120.62	128.78	120.19	122.41	-0.1	3.53	155.45	122.02	128.62	118.96	121.11	186.70	148.08	128.88																
Germany (69)	145.74	+0.7	112.81	117.64	112.41	110.16	-0.1	5.53	144.65	112.91	112.81	112.80	112.27	135.67	127.33																	
Hong Kong (54)	235.97	-2.0	182.94	190.47	182.00	204.42	-2.0	3.45	246.73	187.89	191.24	187.72	229.21	229.55	176.36																	
Italy (104)	157.06	-0.1	125.16	126.80	121.15	123.07	-1.2	4.29	157.31	122.75	126.93	122.83	124.21	173.11	151.78	163.03																
Japan (478)	61.30	-0.8	47.45	49.48	47.28	51.39	-2.0	0.86	61.63	48.23	49.87	48.18	52.43	60.96	61.30	73.84																
Japan (73)	91.87	-0.9	71.47	74.15	70.95	74.15	-0.2	1.15	92.32	72.35	74.81	72.29	74.81	106.36	96.70	106.36																
Netherlands (114)	239.80	+0.7	185.65	191.61	184.99	193.98	+0.4	2.04	246.73	187.89	191.24	187.72	229.21	229.55	176.36																	
Norway (15)	154.43	-3.8	104.62	108.57	103.65	105.94	-3.8	1.31	137.00	100.00	112.23	103.08	479.20	179.97	194.34	126.81																
Sweden (125)	136.45	+0.1	122.61	127.88	122.18	123.93	-0.9	4.64	138.78	123.43	127.23	122.32	122.05	167.29	147.86	131.83																
New Zealand (14)	46.48	+0.1	39.97	37.52	35.65	45.17	+0.3	5.02	46.55	35.32	37.56	36.29	43.05	48.92	42.01	47.19																
Norway (23)	156.68	+0.3	125.15	134.63	128.69	132.09	+0.2	1.51	154.85	126.48	132.66	126.38	131.60	182.95	161.26	191.34																
Singapore (81)	203.40	+1.5	147.43	154.19	136.07	151.47	+0.2	2.19	203.31	154.65	164.06	158.50	151.29	222.78	197.33	197.33																
Spain (96)	194.70	+0.0	150.70	157.16	150.16	157.36	-1.0	3.03	194.95	151.92	157.09	151.77	169.03	263.80	194.68	221.91																
Sweden (29)	136.75	+0.2	106.94	110.39	105.47	97.80	-0.8	6.01	126.45	106.50	110.14	106.40	99.59	151.72	126.46	149.40																
Switzerland (25)	183.19	+2.1	141.79	147.88	141.24	146.04	+0.1	2.79	193.65	142.47	144.60	143.90	144.00	200.28	173.09	195.95																
Switzerland (62)	109.91	+1.2	85.07	88.73	84.78	85.50	+0.1	2.40	105.84	84.72	87.61	84.65	85.42	113.68	98.99	98.99																
United Kingdom (228)	178.04	+0.5	141.42	147.38	141.36	146.11	+1.0	1.11	178.50	144.94	144.94	143.90	144.00	200.47	168.55	168.55																
USA (522)	67.50	+0.0	129.88	136.48	129.42	167.80	-0.2	2.59	167.77	130.91	135.38	130.80	167.77	167.17	169.02	169.02																
Australia (730)	145.01	+0.4	112.24	117.06	111.85	112.41	-0.6	4.33	144.45	112.71	116.58	112.81	116.01	156.88	139.31	156.00																
Canada (134)	136.34	+1.8	133.98	130.12	132.92	121.09	-0.7	1.59	163.29	132.10	136.60	131.30	138.82	168.22	136.28	168.22																
Pacific Basin (717)	96.35	-0.9	77.27	79.55	76.51	80.55	-0.9	2.50	99.47	77.62	80.27	77.95	81.26	141.97	94.40	130.50																
North America (1507)	117.34	-0.3	92.90	94.71	90.48	93.73	-0.7	2.91	117.95	91.81	94.93	91.72	94.41	145.21	113.80	134.00																
Europe (636)	155.24	+0.0	120.92	133.40	127.47	163.93	+0.0	3.00	166.21	128.91	133.33	128.81	163.80	169.69	158.70	158.70																
Europe Ex UK (582)	124.40	+1.0	96.20	100.00	95.97	97.13	+0.3	2.50	124.40	96.20	100.00	95.97	97.13	124.40	96.20	100.00																
Japan (244)	119.26	+0.3	92.38	94.74	92.38	104.82	-0.3	0.56	119.26	92.38	94.74	92.38	94.74	145.31	148.00	148.00																
Japan (244)	119.26	+0.3	92.38	94.74	92.38	104.82	-0.3	0.56	119.26	92.38	94.74	92.38	94.74	145.31	148.00	148.00																
World Ex UK (1994)	130.64	-0.1	101.04	105.38	100.69	115.95	-0.3	2.63	130.71	101.99	105.47	101.91	116.32	150.58	127.21	130.71																
World Ex So. Af. (2161)	134.36	-0.2	102.59	108.47	103.84	117.96	-0.4	2.84	134.28	108.01	108.80	104.93	116.05	150.55	120.04	140.26																
World Ex Japan (1749)	158.70	+0.1	122.68	127.98	122.27	143.31	-0.3	3.48	158.33	122.90	127.88	123.50	143.62	165.40	153.70	140.26																
The World Index (2222)	134.31	-0.2	104.27	108.74	103.95	118.02	-0.2	2.94	134.33	105.29	108.68	105.20	118.72	163.70	130.06	140.26																